



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB4185

by Rep. Mike Fortner

SYNOPSIS AS INTRODUCED:

See Index

Amends the Regional Transportation Authority Act. Adds a provision related to legislative findings. Requires the Regional Transportation Authority to provide financial oversight of the Service Boards, allocate operating and capital funds made available to support public transportation in the metropolitan region, and undertake certain planning functions. Provides that the Authority to adopt certain plans and budgets. Requires the Authority to conduct audits of the Service Boards. Requires the the Authority to establish certain special funds. Makes changes concerning the resolution of disputes between Service Boards. Sets forth certain functions of the Board of the Authority. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on January 1, 2008, with respect to motor fuel and gasohol the tax under the Acts is imposed at the rate of 1.25% (now, 6.25%). Amends the Motor Fuel Tax Law. Imposes an additional tax of \$0.08 per gallon on motor fuel sold in this State. Provides that the proceeds of this additional tax must be deposited into the Metropolitan Transit and Road Improvement Fund and sets forth the distributions from that Fund. Provides for the monthly transfer of certain matching funds from the General Revenue Fund to the Public Transportation Fund. Amends the Illinois Municipal Code. Authorizes home rule municipalities to impose a real estate transfer tax for the purpose of providing financial assistance to the Chicago Transit Authority. Makes changes concerning the directors of the Regional Transportation Authority and the Board of the Commuter Rail Division. Makes numerous other changes concerning the operation of regional transportation. Effective immediately.

LRB095 14739 BDD 40670 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning transportation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois State Auditing Act is amended by
5 adding Section 3-2.3 as follows:

6 (30 ILCS 5/3-2.3 new)

7 Sec. 3-2.3. Report on Chicago Transit Authority.

8 (a) No less than 60 days prior to the issuance of bonds or
9 notes by the Chicago Transit Authority (referred to as the
10 "Authority" in this Section) pursuant to Section 12c of the
11 Metropolitan Transit Authority Act, the following
12 documentation shall be submitted to the Auditor General and the
13 Regional Transportation Authority:

14 (1) Retirement Plan Documentation. The Authority shall
15 submit a certification that:

16 (A) it is legally authorized to issue the bonds or
17 notes;

18 (B) scheduled annual payments of principal and
19 interest on the bonds and notes to be issued meet the
20 requirements of Section 12c(b)(5) of the Metropolitan
21 Transit Authority Act;

22 (C) no bond or note shall mature later than
23 December 31, 2039;

1 (D) after payment of costs of issuance and
2 necessary deposits to funds and accounts established
3 with respect to debt service on the bonds or notes, the
4 net bond and note proceeds (exclusive of any proceeds
5 to be used to refund outstanding bonds or notes) will
6 be deposited in the Retirement Plan for Chicago Transit
7 Authority Employees and used only for the purposes
8 required by Section 22-101 of the Illinois Pension
9 Code; and

10 (E) it has entered into an intergovernmental
11 agreement with the City of Chicago under which the City
12 of Chicago will provide financial assistance to the
13 Authority in an amount equal to the net receipts, after
14 fees for costs of collection, from a tax on the
15 privilege of transferring title to real estate in the
16 City of Chicago in an amount up to \$1.50 per \$500 of
17 value or fraction thereof under the provisions of
18 Section 8-3-19 of the Illinois Municipal Code, which
19 agreement shall be for a term expiring no earlier than
20 the final maturity of bonds or notes that it proposes
21 to issue under Section 12c of the Metropolitan Transit
22 Authority Act.

23 (2) The Board of Trustees of the Retirement Plan for
24 Chicago Transit Authority Employees shall submit a
25 certification that the Retirement Plan for Chicago Transit
26 Authority Employees is operating in accordance with all

1 applicable legal and contractual requirements, including
2 the following:

3 (A) the members of a new Board of Trustees have
4 been appointed according to the requirements of
5 Section 22-101(b) of the Illinois Pension Code; and

6 (B) contribution levels for employees and the
7 Authority have been established according to the
8 requirements of Section 22-101(d) of the Illinois
9 Pension Code.

10 (3) Actuarial Report. The Board of Trustees of the
11 Retirement Plan for Chicago Transit Authority Employees
12 shall submit an actuarial report prepared by an enrolled
13 actuary setting forth:

14 (A) the method of valuation and the underlying
15 assumptions;

16 (B) a comparison of the debt service schedules of
17 the bonds or notes proposed to be issued to the
18 Retirement Plan's current unfunded actuarial accrued
19 liability amortization schedule, as required by
20 Section 22-101(e) of the Illinois Pension Code, using
21 the projected interest cost of the bond or note issue
22 as the discount rate to calculate the estimated net
23 present value savings;

24 (C) the amount of the estimated net present value
25 savings comparing the true interest cost of the
26 bonds or notes with the actuarial investment

1 return assumption of the Retirement Plan; and
2 (D) a certification that the net proceeds of the
3 bonds or notes, together with anticipated earnings
4 on contributions and deposits, will be sufficient
5 to reasonably conclude on an actuarial basis that
6 the total retirement assets of the Retirement Plan
7 will not be less than 90% of its liabilities by the
8 end of fiscal year 2058.

9 (4) The Authority shall submit a financial analysis
10 prepared by an independent advisor. The financial analysis
11 must include a determination that the issuance of bonds is
12 in the best interest of the Retirement Plan for Chicago
13 Transit Authority Employees and the Chicago Transit
14 Authority. The independent advisor shall not act as
15 underwriter or receive a legal, consulting, or other fee
16 related to the issuance of any bond or notes issued by the
17 Authority pursuant to Section 12c of the Metropolitan
18 Transit Authority Act except compensation due for the
19 preparation of the financial analysis.

20 (5) Retiree Health Care Trust Documentation. The
21 Authority shall submit a certification that:

22 (A) it is legally authorized to issue the bonds or
23 notes;

24 (B) scheduled annual payments of principal and
25 interest on the bonds and notes to be issued meets the
26 requirements of Section 12c(b)(5) of the Metropolitan

1 Transit Authority Act;

2 (C) no bond or note shall mature later than
3 December 31, 2039;

4 (D) after payment of costs of issuance and
5 necessary deposits to funds and accounts established
6 with respect to debt service on the bonds or notes, the
7 net bond and note proceeds (exclusive of any proceeds
8 to be used to refund outstanding bonds or notes) will
9 be deposited in the Retiree Health Care Trust and used
10 only for the purposes required by Section 22-101B of
11 the Illinois Pension Code; and

12 (E) it has entered into an intergovernmental
13 agreement with the City of Chicago under which the City
14 of Chicago will provide financial assistance to the
15 Authority in an amount equal to the net receipts, after
16 fees for costs of collection, from a tax on the
17 privilege of transferring title to real estate in the
18 City of Chicago in an amount up to \$1.50 per \$500 of
19 value or fraction thereof under the provisions of
20 Section 8-3-19 of the Illinois Municipal Code, which
21 agreement shall be for a term expiring no earlier than
22 the final maturity of bonds or notes that it proposes
23 to issue under Section 12c of the Metropolitan Transit
24 Authority Act.

25 (6) The Board of Trustees of the Retiree Health Care
26 Trust shall submit a certification that the Retiree Health

1 Care Trust has been established in accordance with all
2 applicable legal requirements, including the following:

3 (A) the Retiree Health Care Trust has been
4 established and a Trust document is in effect to govern
5 the Retiree Health Care Trust;

6 (B) the members of the Board of Trustees of the
7 Retiree Health Care Trust have been appointed
8 according to the requirements of Section 22-101B(b) (1)
9 of the Illinois Pension Code;

10 (C) a health care benefit program for eligible
11 retirees and their dependents and survivors has been
12 established by the Board of Trustees according to the
13 requirements of Section 22-101B(b) (2) of the Illinois
14 Pension Code;

15 (D) contribution levels have been established for
16 retirees, dependents and survivors according to the
17 requirements of Section 22-101B(b) (5) of the Illinois
18 Pension Code; and

19 (E) contribution levels have been established for
20 employees of the Authority according to the
21 requirements of Section 22-101B(b) (6) of the Illinois
22 Pension Code.

23 (7) Actuarial Report. The Board of Trustees of the
24 Retiree Health Care Trust shall submit an actuarial report
25 prepared by an enrolled actuary setting forth:

26 (A) the method of valuation and the underlying

1 assumptions;

2 (B) a comparison of the projected interest cost of
3 the bonds or notes proposed to be issued with the
4 actuarial investment return assumption of the Retiree
5 Health Care Trust; and

6 (C) a certification that the net proceeds of the
7 bonds or notes, together with anticipated earnings on
8 contributions and deposits, will be sufficient to
9 adequately fund the actuarial present value of
10 projected benefits expected to be paid under the
11 Retiree Health Care Trust, or a certification of the
12 increases in contribution levels and decreases in
13 benefit levels that would be required in order to cure
14 any funding shortfall over a period of not more than 10
15 years.

16 (8) The Authority shall submit a financial analysis
17 prepared by an independent advisor. The financial analysis
18 must include a determination that the issuance of bonds is
19 in the best interest of the Retiree Health Care Trust and
20 the Chicago Transit Authority. The independent advisor
21 shall not act as underwriter or receive a legal,
22 consulting, or other fee related to the issuance of any
23 bond or notes issued by the Authority pursuant to Section
24 12c of the Metropolitan Transit Authority Act except
25 compensation due for the preparation of the financial
26 analysis.

1 (b) The Auditor General shall examine the information
2 submitted pursuant to Section 3-2.3(a)(1) through (4) and
3 submit a report to the General Assembly, the Legislative Audit
4 Commission, the Governor, the Regional Transportation
5 Authority and the Authority indicating whether (i) the required
6 certifications by the Authority and the Board of Trustees of
7 the Retirement Plan have been made, and (ii) the actuarial
8 reports have been provided, the reports include all required
9 information, the assumptions underlying those reports are not
10 unreasonable in the aggregate, and the reports appear to comply
11 with all pertinent professional standards, including those
12 issued by the Actuarial Standards Board. The Auditor General
13 shall submit such report no later than 60 days after receiving
14 the information required to be submitted by the Authority and
15 the Board of Trustees of the Retirement Plan. Any bonds or
16 notes issued by the Authority under item (1) of subsection (b)
17 of Section 12c of the Metropolitan Transit Authority Act shall
18 be issued within 120 days after receiving such report from the
19 Auditor General. The Authority may not issue bonds or notes
20 until it receives the report from the Auditor General
21 indicating the above requirements have been met.

22 (c) The Auditor General shall examine the information
23 submitted pursuant to Section 3-2.3(a)(5) through (8) and
24 submit a report to the General Assembly, the Legislative Audit
25 Commission, the Governor, the Regional Transportation
26 Authority and the Authority indicating whether (i) the required

1 certifications by the Authority and the Board of Trustees of
2 the Retiree Health Care Trust have been made, and (ii) the
3 actuarial reports have been provided, the reports include all
4 required information, the assumptions underlying those reports
5 are not unreasonable in the aggregate, and the reports appear
6 to comply with all pertinent professional standards, including
7 those issued by the Actuarial Standards Board. The Auditor
8 General shall submit such report no later than 60 days after
9 receiving the information required to be submitted by the
10 Authority and the Board of Trustees of the Retiree Health Care
11 Trust. Any bonds or notes issued by the Authority under item
12 (2) of subsection (b) of Section 12c of the Metropolitan
13 Transit Authority Act shall be issued within 120 days after
14 receiving such report from the Auditor General. The Authority
15 may not issue bonds or notes until it receives a report from
16 the Auditor General indicating the above requirements have been
17 met.

18 (d) In fulfilling this duty, after receiving the
19 information submitted pursuant to Section 3-2.3(a), the
20 Auditor General may request additional information and support
21 pertaining to the data and conclusions contained in the
22 submitted documents and the Authority, the Board of Trustees of
23 the Retirement Plan and the Board of Trustees of the Retiree
24 Health Care Trust shall cooperate with the Auditor General and
25 provide additional information as requested in a timely manner.
26 The Auditor General may also request from the Regional

1 Transportation Authority an analysis of the information
2 submitted by the Authority relating to the sources of funds to
3 be utilized for payment of the proposed bonds or notes of the
4 Authority. The Auditor General's report shall not be in the
5 nature of a post-audit or examination and shall not lead to the
6 issuance of an opinion as that term is defined in generally
7 accepted government auditing standards.

8 (e) Annual Retirement Plan Submission to Auditor General.
9 The Board of Trustees of the Retirement Plan for Chicago
10 Transit Authority Employees established by Section 22-101 of
11 the Illinois Pension Code shall provide the following documents
12 to the Auditor General annually no later than September 30:

13 (1) the most recent audit or examination of the
14 Retirement Plan;

15 (2) an annual statement containing the information
16 specified in Section 1A-109 of the Illinois Pension Code;
17 and

18 (3) a complete actuarial statement applicable to the
19 prior plan year, which may be the annual report of an
20 enrolled actuary retained by the Retirement Plan specified
21 in Section 22-101(e) of the Illinois Pension Code.

22 The Auditor General shall annually examine the information
23 provided pursuant to this subsection and shall submit a report
24 of the analysis thereof to the General Assembly, including the
25 report specified in Section 22-101(e) of the Illinois Pension
26 Code.

1 (f) The Auditor General shall annually examine the
2 information submitted pursuant to Section 22-101B(b)(3)(iii)
3 of the Illinois Pension Code and shall prepare the
4 determination specified in Section 22-101B(b)(3)(iv) of the
5 Illinois Pension Code.

6 (g) In fulfilling the duties under Sections 3-2.3(e) and
7 (f) the Auditor General may request additional information and
8 support pertaining to the data and conclusions contained in the
9 submitted documents and the Authority, the Board of Trustees of
10 the Retirement Plan and the Board of Trustees of the Retiree
11 Health Care Trust shall cooperate with the Auditor General and
12 provide additional information as requested in a timely manner.
13 The Auditor General's review shall not be in the nature of a
14 post-audit or examination and shall not lead to the issuance of
15 an opinion as that term is defined in generally accepted
16 government auditing standards. Upon request of the Auditor
17 General, the Commission on Government Forecasting and
18 Accountability and the Public Pension Division of the Illinois
19 Department of Financial and Professional Regulation shall
20 cooperate with and assist the Auditor General in the conduct of
21 his review.

22 (h) The Auditor General shall submit a bill to the
23 Authority for costs associated with the examinations and
24 reports specified in subsections (b) and (c) of this Section
25 3-2.3, which the Authority shall reimburse in a timely manner.
26 The costs associated with the examinations and reports which

1 are reimbursed by the Authority shall constitute a cost of
2 issuance of the bonds or notes under Section 12c(b)(1) and (2)
3 of the Metropolitan Transit Authority Act. The amount received
4 shall be deposited into the fund or funds from which such costs
5 were paid by the Auditor General. The Auditor General shall
6 submit a bill to the Retirement Plan for Chicago Transit
7 Authority Employees for costs associated with the examinations
8 and reports specified in subsection (e) of this Section, which
9 the Retirement Plan for Chicago Transit Authority Employees
10 shall reimburse in a timely manner. The amount received shall
11 be deposited into the fund or funds from which such costs were
12 paid by the Auditor General. The Auditor General shall submit a
13 bill to the Retiree Health Care Trust for costs associated with
14 the determination specified in subsection (f) of this Section,
15 which the Retiree Health Care Trust shall reimburse in a timely
16 manner. The amount received shall be deposited into the fund or
17 funds from which such costs were paid by the Auditor General.

18 Section 6. The State Finance Act is amended by changing
19 Sections 6z-18 and 6z-20 and by adding Sections 5.677 and 5.678
20 as follows:

21 (30 ILCS 105/5.677 new)

22 Sec. 5.677. The Downstate Transit Improvement Fund.

23 (30 ILCS 105/5.678 new)

1 Sec. 5.678. The Metropolitan Transit and Road Improvement
2 Fund.

3 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

4 Sec. 6z-18. A portion of the money paid into the Local
5 Government Tax Fund from sales of food for human consumption
6 which is to be consumed off the premises where it is sold
7 (other than alcoholic beverages, soft drinks and food which has
8 been prepared for immediate consumption) and prescription and
9 nonprescription medicines, drugs, medical appliances and
10 insulin, urine testing materials, syringes and needles used by
11 diabetics, which occurred in municipalities, shall be
12 distributed to each municipality based upon the sales which
13 occurred in that municipality. The remainder shall be
14 distributed to each county based upon the sales which occurred
15 in the unincorporated area of that county.

16 A portion of the money paid into the Local Government Tax
17 Fund from the 6.25% general use tax rate on the selling price
18 of tangible personal property which is purchased outside
19 Illinois at retail from a retailer and which is titled or
20 registered by any agency of this State's government shall be
21 distributed to municipalities as provided in this paragraph.
22 Each municipality shall receive the amount attributable to
23 sales for which Illinois addresses for titling or registration
24 purposes are given as being in such municipality. The remainder
25 of the money paid into the Local Government Tax Fund from such

1 sales shall be distributed to counties. Each county shall
2 receive the amount attributable to sales for which Illinois
3 addresses for titling or registration purposes are given as
4 being located in the unincorporated area of such county.

5 A portion of the money paid into the Local Government Tax
6 Fund from the 6.25% general rate (and, beginning July 1, 2000
7 and through December 31, 2000 and beginning again on January 1,
8 2008, the 1.25% rate on motor fuel and gasohol) on sales
9 subject to taxation under the Retailers' Occupation Tax Act and
10 the Service Occupation Tax Act, which occurred in
11 municipalities, shall be distributed to each municipality,
12 based upon the sales which occurred in that municipality. The
13 remainder shall be distributed to each county, based upon the
14 sales which occurred in the unincorporated area of such county.

15 For the purpose of determining allocation to the local
16 government unit, a retail sale by a producer of coal or other
17 mineral mined in Illinois is a sale at retail at the place
18 where the coal or other mineral mined in Illinois is extracted
19 from the earth. This paragraph does not apply to coal or other
20 mineral when it is delivered or shipped by the seller to the
21 purchaser at a point outside Illinois so that the sale is
22 exempt under the United States Constitution as a sale in
23 interstate or foreign commerce.

24 Whenever the Department determines that a refund of money
25 paid into the Local Government Tax Fund should be made to a
26 claimant instead of issuing a credit memorandum, the Department

1 shall notify the State Comptroller, who shall cause the order
2 to be drawn for the amount specified, and to the person named,
3 in such notification from the Department. Such refund shall be
4 paid by the State Treasurer out of the Local Government Tax
5 Fund.

6 On or before the 25th day of each calendar month, the
7 Department shall prepare and certify to the Comptroller the
8 disbursement of stated sums of money to named municipalities
9 and counties, the municipalities and counties to be those
10 entitled to distribution of taxes or penalties paid to the
11 Department during the second preceding calendar month. The
12 amount to be paid to each municipality or county shall be the
13 amount (not including credit memoranda) collected during the
14 second preceding calendar month by the Department and paid into
15 the Local Government Tax Fund, plus an amount the Department
16 determines is necessary to offset any amounts which were
17 erroneously paid to a different taxing body, and not including
18 an amount equal to the amount of refunds made during the second
19 preceding calendar month by the Department, and not including
20 any amount which the Department determines is necessary to
21 offset any amounts which are payable to a different taxing body
22 but were erroneously paid to the municipality or county. Within
23 10 days after receipt, by the Comptroller, of the disbursement
24 certification to the municipalities and counties, provided for
25 in this Section to be given to the Comptroller by the
26 Department, the Comptroller shall cause the orders to be drawn

1 for the respective amounts in accordance with the directions
2 contained in such certification.

3 When certifying the amount of monthly disbursement to a
4 municipality or county under this Section, the Department shall
5 increase or decrease that amount by an amount necessary to
6 offset any misallocation of previous disbursements. The offset
7 amount shall be the amount erroneously disbursed within the 6
8 months preceding the time a misallocation is discovered.

9 The provisions directing the distributions from the
10 special fund in the State Treasury provided for in this Section
11 shall constitute an irrevocable and continuing appropriation
12 of all amounts as provided herein. The State Treasurer and
13 State Comptroller are hereby authorized to make distributions
14 as provided in this Section.

15 In construing any development, redevelopment, annexation,
16 preannexation or other lawful agreement in effect prior to
17 September 1, 1990, which describes or refers to receipts from a
18 county or municipal retailers' occupation tax, use tax or
19 service occupation tax which now cannot be imposed, such
20 description or reference shall be deemed to include the
21 replacement revenue for such abolished taxes, distributed from
22 the Local Government Tax Fund.

23 (Source: P.A. 90-491, eff. 1-1-98; 91-51, eff. 6-30-99; 91-872,
24 eff. 7-1-00.)

25 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

1 Sec. 6z-20. Of the money received from the 6.25% general
2 rate (and, beginning July 1, 2000 and through December 31, 2000
3 and beginning again on January 1, 2008, the 1.25% rate on motor
4 fuel and gasohol) on sales subject to taxation under the
5 Retailers' Occupation Tax Act and Service Occupation Tax Act
6 and paid into the County and Mass Transit District Fund,
7 distribution to the Regional Transportation Authority tax
8 fund, created pursuant to Section 4.03 of the Regional
9 Transportation Authority Act, for deposit therein shall be made
10 based upon the retail sales occurring in a county having more
11 than 3,000,000 inhabitants. The remainder shall be distributed
12 to each county having 3,000,000 or fewer inhabitants based upon
13 the retail sales occurring in each such county.

14 For the purpose of determining allocation to the local
15 government unit, a retail sale by a producer of coal or other
16 mineral mined in Illinois is a sale at retail at the place
17 where the coal or other mineral mined in Illinois is extracted
18 from the earth. This paragraph does not apply to coal or other
19 mineral when it is delivered or shipped by the seller to the
20 purchaser at a point outside Illinois so that the sale is
21 exempt under the United States Constitution as a sale in
22 interstate or foreign commerce.

23 Of the money received from the 6.25% general use tax rate
24 on tangible personal property which is purchased outside
25 Illinois at retail from a retailer and which is titled or
26 registered by any agency of this State's government and paid

1 into the County and Mass Transit District Fund, the amount for
2 which Illinois addresses for titling or registration purposes
3 are given as being in each county having more than 3,000,000
4 inhabitants shall be distributed into the Regional
5 Transportation Authority tax fund, created pursuant to Section
6 4.03 of the Regional Transportation Authority Act. The
7 remainder of the money paid from such sales shall be
8 distributed to each county based on sales for which Illinois
9 addresses for titling or registration purposes are given as
10 being located in the county. Any money paid into the Regional
11 Transportation Authority Occupation and Use Tax Replacement
12 Fund from the County and Mass Transit District Fund prior to
13 January 14, 1991, which has not been paid to the Authority
14 prior to that date, shall be transferred to the Regional
15 Transportation Authority tax fund.

16 Whenever the Department determines that a refund of money
17 paid into the County and Mass Transit District Fund should be
18 made to a claimant instead of issuing a credit memorandum, the
19 Department shall notify the State Comptroller, who shall cause
20 the order to be drawn for the amount specified, and to the
21 person named, in such notification from the Department. Such
22 refund shall be paid by the State Treasurer out of the County
23 and Mass Transit District Fund.

24 On or before the 25th day of each calendar month, the
25 Department shall prepare and certify to the Comptroller the
26 disbursement of stated sums of money to the Regional

1 Transportation Authority and to named counties, the counties to
2 be those entitled to distribution, as hereinabove provided, of
3 taxes or penalties paid to the Department during the second
4 preceding calendar month. The amount to be paid to the Regional
5 Transportation Authority and each county having 3,000,000 or
6 fewer inhabitants shall be the amount (not including credit
7 memoranda) collected during the second preceding calendar
8 month by the Department and paid into the County and Mass
9 Transit District Fund, plus an amount the Department determines
10 is necessary to offset any amounts which were erroneously paid
11 to a different taxing body, and not including an amount equal
12 to the amount of refunds made during the second preceding
13 calendar month by the Department, and not including any amount
14 which the Department determines is necessary to offset any
15 amounts which were payable to a different taxing body but were
16 erroneously paid to the Regional Transportation Authority or
17 county. Within 10 days after receipt, by the Comptroller, of
18 the disbursement certification to the Regional Transportation
19 Authority and counties, provided for in this Section to be
20 given to the Comptroller by the Department, the Comptroller
21 shall cause the orders to be drawn for the respective amounts
22 in accordance with the directions contained in such
23 certification.

24 When certifying the amount of a monthly disbursement to the
25 Regional Transportation Authority or to a county under this
26 Section, the Department shall increase or decrease that amount

1 by an amount necessary to offset any misallocation of previous
2 disbursements. The offset amount shall be the amount
3 erroneously disbursed within the 6 months preceding the time a
4 misallocation is discovered.

5 The provisions directing the distributions from the
6 special fund in the State Treasury provided for in this Section
7 and from the Regional Transportation Authority tax fund created
8 by Section 4.03 of the Regional Transportation Authority Act
9 shall constitute an irrevocable and continuing appropriation
10 of all amounts as provided herein. The State Treasurer and
11 State Comptroller are hereby authorized to make distributions
12 as provided in this Section.

13 In construing any development, redevelopment, annexation,
14 preannexation or other lawful agreement in effect prior to
15 September 1, 1990, which describes or refers to receipts from a
16 county or municipal retailers' occupation tax, use tax or
17 service occupation tax which now cannot be imposed, such
18 description or reference shall be deemed to include the
19 replacement revenue for such abolished taxes, distributed from
20 the County and Mass Transit District Fund or Local Government
21 Distributive Fund, as the case may be.

22 (Source: P.A. 90-491, eff. 1-1-98; 91-872, eff. 7-1-00.)

23 Section 7. The Downstate Public Transportation Act is
24 amended by changing Sections 2-2.04, 2-3, 2-7, and 2-15 as
25 follows:

1 (30 ILCS 740/2-2.04) (from Ch. 111 2/3, par. 662.04)

2 Sec. 2-2.04. "Eligible operating expenses" means all
3 expenses required for public transportation, including
4 employee wages and benefits, materials, fuels, supplies,
5 rental of facilities, taxes other than income taxes, payment
6 made for debt service (including principal and interest) on
7 publicly owned equipment or facilities, and any other
8 expenditure which is an operating expense according to standard
9 accounting practices for the providing of public
10 transportation. Eligible operating expenses shall not include
11 allowances: (a) for depreciation whether funded or unfunded;
12 (b) for amortization of any intangible costs; (c) for debt
13 service on capital acquired with the assistance of capital
14 grant funds provided by the State of Illinois; (d) for profits
15 or return on investment; (e) for excessive payment to
16 associated entities; (f) for Comprehensive Employment Training
17 Act expenses; (g) for costs reimbursed under Sections 6 and 8
18 of the "Urban Mass Transportation Act of 1964", as amended; (h)
19 for entertainment expenses; (i) for charter expenses; (j) for
20 fines and penalties; (k) for charitable donations; (l) for
21 interest expense on long term borrowing and debt retirement
22 other than on publicly owned equipment or facilities; (m) for
23 income taxes; or (n) for such other expenses as the Department
24 may determine consistent with federal Department of
25 Transportation regulations or requirements. In consultation

1 with participants, the Department shall, by October 2008,
2 promulgate or update rules, pursuant to the Illinois
3 Administrative Procedure Act, concerning eligible expenses to
4 ensure consistent application of the Act, and the Department
5 shall provide written copies of those rules to all eligible
6 recipients. The Department shall review this process in the
7 same manner no less frequently than every 5 years.

8 With respect to participants other than any Metro-East
9 Transit District participant and those receiving federal
10 research development and demonstration funds pursuant to
11 Section 6 of the "Urban Mass Transportation Act of 1964", as
12 amended, during the fiscal year ending June 30, 1979, the
13 maximum eligible operating expenses for any such participant in
14 any fiscal year after Fiscal Year 1980 shall be the amount
15 appropriated for such participant for the fiscal year ending
16 June 30, 1980, plus in each year a 10% increase over the
17 maximum established for the preceding fiscal year. For Fiscal
18 Year 1980 the maximum eligible operating expenses for any such
19 participant shall be the amount of projected operating expenses
20 upon which the appropriation for such participant for Fiscal
21 Year 1980 is based.

22 With respect to participants receiving federal research
23 development and demonstration operating assistance funds for
24 operating assistance pursuant to Section 6 of the "Urban Mass
25 Transportation Act of 1964", as amended, during the fiscal year
26 ending June 30, 1979, the maximum eligible operating expenses

1 for any such participant in any fiscal year after Fiscal Year
2 1980 shall not exceed such participant's eligible operating
3 expenses for the fiscal year ending June 30, 1980, plus in each
4 year a 10% increase over the maximum established for the
5 preceding fiscal year. For Fiscal Year 1980, the maximum
6 eligible operating expenses for any such participant shall be
7 the eligible operating expenses incurred during such fiscal
8 year, or projected operating expenses upon which the
9 appropriation for such participant for the Fiscal Year 1980 is
10 based; whichever is less.

11 With respect to all participants other than any Metro-East
12 Transit District participant, the maximum eligible operating
13 expenses for any such participant in any fiscal year after
14 Fiscal Year 1985 (except Fiscal Year 2008 and Fiscal Year 2009)
15 shall be the amount appropriated for such participant for the
16 fiscal year ending June 30, 1985, plus in each year a 10%
17 increase over the maximum established for the preceding year.
18 For Fiscal Year 1985, the maximum eligible operating expenses
19 for any such participant shall be the amount of projected
20 operating expenses upon which the appropriation for such
21 participant for Fiscal Year 1985 is based.

22 With respect to any mass transit district participant that
23 has increased its district boundaries by annexing counties
24 since 1998 and is maintaining a level of local financial
25 support, including all income and revenues, equal to or greater
26 than the level in the State fiscal year ending June 30, 2001,

1 the maximum eligible operating expenses for any State fiscal
2 year after 2002 (except State fiscal years ~~year~~ 2006 through
3 2009) shall be the amount appropriated for that participant for
4 the State fiscal year ending June 30, 2002, plus, in each State
5 fiscal year, a 10% increase over the preceding State fiscal
6 year. For State fiscal year 2002, the maximum eligible
7 operating expenses for any such participant shall be the amount
8 of projected operating expenses upon which the appropriation
9 for that participant for State fiscal year 2002 is based. For
10 that participant, eligible operating expenses for State fiscal
11 year 2002 in excess of the eligible operating expenses for the
12 State fiscal year ending June 30, 2001, plus 10%, must be
13 attributed to the provision of services in the newly annexed
14 counties.

15 With respect to a participant that receives an initial
16 appropriation in State fiscal year 2002 or thereafter, the
17 maximum eligible operating expenses for any State fiscal year
18 after 2003 (except State fiscal years ~~year~~ 2006 through 2009)
19 shall be the amount appropriated for that participant for the
20 State fiscal year in which it received its initial
21 appropriation, plus, in each year, a 10% increase over the
22 preceding year. For the initial State fiscal year in which a
23 participant received an appropriation, the maximum eligible
24 operating expenses for any such participant shall be the amount
25 of projected operating expenses upon which the appropriation
26 for that participant for that State fiscal year is based.

1 With respect to the District serving primarily the counties
2 of Monroe and St. Clair, beginning July 1, 2005, the St. Clair
3 County Transit District shall no longer be included for new
4 appropriation funding purposes as part of the Metro-East Public
5 Transportation Fund and instead shall be included for new
6 appropriation funding purposes as part of the Downstate Public
7 Transportation Fund; provided, however, that nothing herein
8 shall alter the eligibility of that District for previously
9 appropriated funds to which it would otherwise be entitled.

10 With respect to the fiscal year beginning July 1, 2007, and
11 thereafter, the following shall be included for new
12 appropriation funding purposes as part of the Downstate Public
13 Transportation Fund: Bond County; Bureau County; Coles County;
14 Edgar County; Stephenson County and the City of Freeport; Henry
15 County; Jo Daviess County; Kankakee and McLean Counties; Peoria
16 County; Piatt County; Shelby County; Tazewell and Woodford
17 Counties; Vermilion County; Williamson County; and Kendall
18 County.

19 (Source: P.A. 94-70, eff. 6-22-05.)

20 (30 ILCS 740/2-3) (from Ch. 111 2/3, par. 663)

21 Sec. 2-3. (a) As soon as possible after the first day of
22 each month, beginning July 1, 1984, upon certification of the
23 Department of Revenue, the Comptroller shall order
24 transferred, and the Treasurer shall transfer, from the General
25 Revenue Fund to a special fund in the State Treasury which is

1 hereby created, to be known as the "Downstate Public
2 Transportation Fund", an amount equal to 2/32 (beginning July
3 1, 2005, 3/32) of the net revenue realized from the "Retailers'
4 Occupation Tax Act", as now or hereafter amended, the "Service
5 Occupation Tax Act", as now or hereafter amended, the "Use Tax
6 Act", as now or hereafter amended, and the "Service Use Tax
7 Act", as now or hereafter amended, from persons incurring
8 municipal or county retailers' or service occupation tax
9 liability for the benefit of any municipality or county located
10 wholly within the boundaries of each participant other than any
11 Metro-East Transit District participant certified pursuant to
12 subsection (c) of this Section during the preceding month,
13 except that the Department shall pay into the Downstate Public
14 Transportation Fund 2/32 (beginning July 1, 2005, 3/32) of 80%
15 of the net revenue realized under the State tax Acts named
16 above within any municipality or county located wholly within
17 the boundaries of each participant, other than any Metro-East
18 participant, for tax periods beginning on or after January 1,
19 1990; ~~provided, however, that beginning with fiscal year 1985,~~
20 ~~the transfers into the Downstate Public Transportation Fund~~
21 ~~during any fiscal year shall not exceed the annual~~
22 ~~appropriation from the Downstate Public Transportation Fund~~
23 ~~for that year. The Department of Transportation shall notify~~
24 ~~the Department of Revenue and the Comptroller at the beginning~~
25 ~~of each fiscal year of the amount of the annual appropriation~~
26 ~~from the Downstate Public Transportation Fund.~~ Net revenue

1 realized for a month shall be the revenue collected by the
2 State pursuant to such Acts during the previous month from
3 persons incurring municipal or county retailers' or service
4 occupation tax liability for the benefit of any municipality or
5 county located wholly within the boundaries of a participant,
6 less the amount paid out during that same month as refunds or
7 credit memoranda to taxpayers for overpayment of liability
8 under such Acts for the benefit of any municipality or county
9 located wholly within the boundaries of a participant.

10 (b) As soon as possible after the first day of each month,
11 beginning July 1, 1989, upon certification of the Department of
12 Revenue, the Comptroller shall order transferred, and the
13 Treasurer shall transfer, from the General Revenue Fund to a
14 special fund in the State Treasury which is hereby created, to
15 be known as the "Metro-East Public Transportation Fund", an
16 amount equal to $\frac{2}{32}$ of the net revenue realized, as above,
17 from within the boundaries of Madison, Monroe, and St. Clair
18 Counties, except that the Department shall pay into the
19 Metro-East Public Transportation Fund $\frac{2}{32}$ of 80% of the net
20 revenue realized under the State tax Acts specified in
21 subsection (a) of this Section within the boundaries of
22 Madison, Monroe and St. Clair Counties for tax periods
23 beginning on or after January 1, 1990. A local match equivalent
24 to an amount which could be raised by a tax levy at the rate of
25 .05% on the assessed value of property within the boundaries of
26 Madison County is required annually to cause a total of $\frac{2}{32}$ of

1 the net revenue to be deposited in the Metro-East Public
2 Transportation Fund. Failure to raise the required local match
3 annually shall result in only 1/32 being deposited into the
4 Metro-East Public Transportation Fund after July 1, 1989, or
5 1/32 of 80% of the net revenue realized for tax periods
6 beginning on or after January 1, 1990.

7 (b-5) As soon as possible after the first day of each
8 month, beginning July 1, 2005, upon certification of the
9 Department of Revenue, the Comptroller shall order
10 transferred, and the Treasurer shall transfer, from the General
11 Revenue Fund to the Downstate Public Transportation Fund, an
12 amount equal to 3/32 of 80% of the net revenue realized from
13 within the boundaries of Monroe and St. Clair Counties under
14 the State Tax Acts specified in subsection (a) of this Section
15 and provided further that, beginning July 1, 2005, the
16 provisions of subsection (b) shall no longer apply with respect
17 to such tax receipts from Monroe and St. Clair Counties.

18 (b-6) As soon as possible after the first day of each
19 month, beginning in fiscal year 2009, upon certification of the
20 Department of Revenue, the Comptroller shall order
21 transferred, and the Treasurer shall transfer, from the General
22 Revenue Fund to the Metro-East Public Transportation Fund, an
23 amount equal to 3/32 of 80% of the net revenue realized from
24 within the boundaries of Madison County under the State Tax
25 Acts specified in subsection (a) of this Section.

26 (c) The Department shall certify to the Department of

1 Revenue the eligible participants under this Article and the
2 territorial boundaries of such participants for the purposes of
3 the Department of Revenue in subsections (a) and (b) of this
4 Section.

5 (d) For the purposes of this Article the Department shall
6 include in its annual request for appropriation of ordinary and
7 contingent expenses an amount equal to the sum total funds
8 projected to be paid to the participants pursuant to Section
9 2-7.

10 ~~(c) In addition to any other permitted use of moneys in the~~
11 ~~Fund, and notwithstanding any restriction on the use of the~~
12 ~~Fund, moneys in the Downstate Public Transportation Fund may be~~
13 ~~transferred to the General Revenue Fund as authorized by Public~~
14 ~~Act 87-14. The General Assembly finds that an excess of moneys~~
15 ~~existed in the Fund on July 30, 1991, and the Governor's order~~
16 ~~of July 30, 1991, and the Governor's order of July 30, 1991,~~
17 ~~requesting the Comptroller and Treasurer to transfer an amount~~
18 ~~from the Fund to the General Revenue Fund is hereby validated.~~

19 (Source: P.A. 94-70, eff. 6-22-05.)

20 (30 ILCS 740/2-7) (from Ch. 111 2/3, par. 667)

21 Sec. 2-7. Quarterly reports; annual audit.

22 (a) Any Metro-East Transit District participant shall, no
23 later than 60 days following the end of each quarter of any
24 fiscal year, file with the Department on forms provided by the
25 Department for that purpose, a report of the actual operating

1 deficit experienced during that quarter. The Department shall,
2 upon receipt of the quarterly report, determine whether the
3 operating deficits were incurred in conformity with the program
4 of proposed expenditures approved by the Department pursuant to
5 Section 2-11. Any Metro-East District may either monthly or
6 quarterly for any fiscal year file a request for the
7 participant's eligible share, as allocated in accordance with
8 Section 2-6, of the amounts transferred into the Metro-East
9 Public Transportation Fund.

10 (b) Each participant other than any Metro-East Transit
11 District participant shall, 30 days before the end of each
12 quarter, file with the Department on forms provided by the
13 Department for such purposes a report of the projected eligible
14 operating expenses to be incurred in the next quarter and 30
15 days before the third and fourth quarters of any fiscal year a
16 statement of actual eligible operating expenses incurred in the
17 preceding quarters. Except as otherwise provided in subsection
18 (b-5), within 45 days of receipt by the Department of such
19 quarterly report, the Comptroller shall order paid and the
20 Treasurer shall pay from the Downstate Public Transportation
21 Fund to each participant an amount equal to one-third of such
22 participant's eligible operating expenses; provided, however,
23 that in Fiscal Year 1997, the amount paid to each participant
24 from the Downstate Public Transportation Fund shall be an
25 amount equal to 47% of such participant's eligible operating
26 expenses and shall be increased to 49% in Fiscal Year 1998, 51%

1 in Fiscal Year 1999, 53% in Fiscal Year 2000, ~~and~~ 55% in Fiscal
2 Years Year 2001 through 2007, and 65% in Fiscal Year 2008 and
3 thereafter; however, in any year that a participant receives
4 funding under subsection (i) of Section 2705-305 of the
5 Department of Transportation Law (20 ILCS 2705/2705-305), that
6 participant shall be eligible only for assistance equal to the
7 following percentage of its eligible operating expenses: 42% in
8 Fiscal Year 1997, 44% in Fiscal Year 1998, 46% in Fiscal Year
9 1999, 48% in Fiscal Year 2000, and 50% in Fiscal Year 2001 and
10 thereafter. Any such payment for the third and fourth quarters
11 of any fiscal year shall be adjusted to reflect actual eligible
12 operating expenses for preceding quarters of such fiscal year.
13 However, no participant shall receive an amount less than that
14 which was received in the immediate prior year, provided in the
15 event of a shortfall in the fund those participants receiving
16 less than their full allocation pursuant to Section 2-6 of this
17 Article shall be the first participants to receive an amount
18 not less than that received in the immediate prior year.

19 (b-5) (Blank.) ~~With respect to the District serving~~
20 ~~primarily the counties of Monroe and St. Clair, beginning July~~
21 ~~1, 2005 and each fiscal year thereafter, the District may, as~~
22 ~~an alternative to the provisions of subsection (b) of Section~~
23 ~~2-7, file a request with the Department for a monthly payment~~
24 ~~of 1/12 of the amount appropriated to the District for that~~
25 ~~fiscal year; except that, for the final month of the fiscal~~
26 ~~year, the District's request shall be in an amount such that~~

1 ~~the total payments made to the District in that fiscal year do~~
2 ~~not exceed the lesser of (i) 55% of the District's eligible~~
3 ~~operating expenses for that fiscal year or (ii) the total~~
4 ~~amount appropriated to the District for that fiscal year.~~

5 (b-10) On July 1, 2008, each participant shall receive an
6 appropriation in an amount equal to 65% of its fiscal year 2008
7 eligible operating expenses adjusted by the annual 10% increase
8 required by Section 2-2.04 of this Act. In no case shall any
9 participant receive an appropriation that is less than its
10 fiscal year 2008 appropriation. Every fiscal year thereafter,
11 each participant's appropriation shall increase by 10% over the
12 appropriation established for the preceding fiscal year as
13 required by Section 2-2.04 of this Act.

14 (b-15) Beginning on July 1, 2007, and for each fiscal year
15 thereafter, each participant shall maintain a minimum local
16 share contribution (from farebox and all other local revenues)
17 equal to the actual amount provided in Fiscal Year 2006 or, for
18 new recipients, an amount equivalent to the local share
19 provided in the first year of participation.

20 (b-20) Any participant in the Downstate Public
21 Transportation Fund may use State operating assistance
22 pursuant to this Section to provide transportation services
23 within any county that is contiguous to its territorial
24 boundaries as defined by the Department and subject to
25 Departmental approval. Any such contiguous-area service
26 provided by a participant after July 1, 2007 must meet the

1 requirements of subsection (a) of Section 2-5.1.

2 (c) No later than 180 days following the last day of the
3 Fiscal Year each participant shall provide the Department with
4 an audit prepared by a Certified Public Accountant covering
5 that Fiscal Year. For those participants other than a
6 Metro-East Transit District, any discrepancy between the
7 grants paid and the percentage of the eligible operating
8 expenses provided for by paragraph (b) of this Section shall be
9 reconciled by appropriate payment or credit. In the case of any
10 Metro-East Transit District, any amount of payments from the
11 Metro-East Public Transportation Fund which exceed the
12 eligible deficit of the participant shall be reconciled by
13 appropriate payment or credit.

14 (Source: P.A. 94-70, eff. 6-22-05.)

15 (30 ILCS 740/2-15) (from Ch. 111 2/3, par. 675.1)

16 Sec. 2-15. Except as otherwise provided in this Section,
17 all funds which remain in the Downstate Public Transportation
18 Fund or the Metro-East Public Transportation Fund after the
19 payment of the fourth quarterly payment to participants other
20 than Metro-East Transit District participants and the last
21 monthly payment to Metro-East Transit participants in each
22 fiscal year shall be transferred (i) to the General Revenue
23 Fund through fiscal year 2008 and (ii) to the Downstate Transit
24 Improvement Fund for fiscal year 2009 and each fiscal year
25 thereafter. Transfers shall be made no later than 90 days

1 following the end of such fiscal year. Beginning fiscal year
2 2010, all moneys each year in the Downstate Transit Improvement
3 Fund, held solely for the benefit of the participants in the
4 Downstate Public Transportation Fund and the Metro-East
5 Transit Fund, shall be appropriated to the Department to make
6 competitive capital grants to the participants of the
7 respective funds. However, such amount as the Department
8 determines to be necessary for (1) allocation to participants
9 for the purposes of Section 2-7 for the first quarter of the
10 succeeding fiscal year and (2) an amount equal to 2% of the
11 total allocations to participants in the fiscal year just ended
12 to be used for the purpose of audit adjustments shall be
13 retained in such Funds to be used by the Department for such
14 purposes.

15 (Source: P.A. 86-590.)

16 Section 7.1. The Use Tax Act is amended by changing
17 Sections 3-10 and 9 as follows:

18 (35 ILCS 105/3-10) (from Ch. 120, par. 439.3-10)

19 Sec. 3-10. Rate of tax. Unless otherwise provided in this
20 Section, the tax imposed by this Act is at the rate of 6.25% of
21 either the selling price or the fair market value, if any, of
22 the tangible personal property. In all cases where property
23 functionally used or consumed is the same as the property that
24 was purchased at retail, then the tax is imposed on the selling

1 price of the property. In all cases where property functionally
2 used or consumed is a by-product or waste product that has been
3 refined, manufactured, or produced from property purchased at
4 retail, then the tax is imposed on the lower of the fair market
5 value, if any, of the specific property so used in this State
6 or on the selling price of the property purchased at retail.
7 For purposes of this Section "fair market value" means the
8 price at which property would change hands between a willing
9 buyer and a willing seller, neither being under any compulsion
10 to buy or sell and both having reasonable knowledge of the
11 relevant facts. The fair market value shall be established by
12 Illinois sales by the taxpayer of the same property as that
13 functionally used or consumed, or if there are no such sales by
14 the taxpayer, then comparable sales or purchases of property of
15 like kind and character in Illinois.

16 Beginning on July 1, 2000 and through December 31, 2000 and
17 beginning again January 1, 2008, with respect to motor fuel, as
18 defined in Section 1.1 of the Motor Fuel Tax Law, and gasohol,
19 as defined in Section 3-40 of the Use Tax Act, the tax is
20 imposed at the rate of 1.25%.

21 With respect to gasohol, the tax imposed by this Act
22 applies to (i) 70% of the proceeds of sales made on or after
23 January 1, 1990, and before July 1, 2003, (ii) 80% of the
24 proceeds of sales made on or after July 1, 2003 and on or
25 before December 31, 2013, and (iii) 100% of the proceeds of
26 sales made thereafter. If, at any time, however, the tax under

1 this Act on sales of gasohol is imposed at the rate of 1.25%,
2 then the tax imposed by this Act applies to 100% of the
3 proceeds of sales of gasohol made during that time.

4 With respect to majority blended ethanol fuel, the tax
5 imposed by this Act does not apply to the proceeds of sales
6 made on or after July 1, 2003 and on or before December 31,
7 2013 but applies to 100% of the proceeds of sales made
8 thereafter.

9 With respect to biodiesel blends with no less than 1% and
10 no more than 10% biodiesel, the tax imposed by this Act applies
11 to (i) 80% of the proceeds of sales made on or after July 1,
12 2003 and on or before December 31, 2013 and (ii) 100% of the
13 proceeds of sales made thereafter. If, at any time, however,
14 the tax under this Act on sales of biodiesel blends with no
15 less than 1% and no more than 10% biodiesel is imposed at the
16 rate of 1.25%, then the tax imposed by this Act applies to 100%
17 of the proceeds of sales of biodiesel blends with no less than
18 1% and no more than 10% biodiesel made during that time.

19 With respect to 100% biodiesel and biodiesel blends with
20 more than 10% but no more than 99% biodiesel, the tax imposed
21 by this Act does not apply to the proceeds of sales made on or
22 after July 1, 2003 and on or before December 31, 2013 but
23 applies to 100% of the proceeds of sales made thereafter.

24 With respect to food for human consumption that is to be
25 consumed off the premises where it is sold (other than
26 alcoholic beverages, soft drinks, and food that has been

1 prepared for immediate consumption) and prescription and
2 nonprescription medicines, drugs, medical appliances,
3 modifications to a motor vehicle for the purpose of rendering
4 it usable by a disabled person, and insulin, urine testing
5 materials, syringes, and needles used by diabetics, for human
6 use, the tax is imposed at the rate of 1%. For the purposes of
7 this Section, the term "soft drinks" means any complete,
8 finished, ready-to-use, non-alcoholic drink, whether
9 carbonated or not, including but not limited to soda water,
10 cola, fruit juice, vegetable juice, carbonated water, and all
11 other preparations commonly known as soft drinks of whatever
12 kind or description that are contained in any closed or sealed
13 bottle, can, carton, or container, regardless of size. "Soft
14 drinks" does not include coffee, tea, non-carbonated water,
15 infant formula, milk or milk products as defined in the Grade A
16 Pasteurized Milk and Milk Products Act, or drinks containing
17 50% or more natural fruit or vegetable juice.

18 Notwithstanding any other provisions of this Act, "food for
19 human consumption that is to be consumed off the premises where
20 it is sold" includes all food sold through a vending machine,
21 except soft drinks and food products that are dispensed hot
22 from a vending machine, regardless of the location of the
23 vending machine.

24 If the property that is purchased at retail from a retailer
25 is acquired outside Illinois and used outside Illinois before
26 being brought to Illinois for use here and is taxable under

1 this Act, the "selling price" on which the tax is computed
2 shall be reduced by an amount that represents a reasonable
3 allowance for depreciation for the period of prior out-of-state
4 use.

5 (Source: P.A. 93-17, eff. 6-11-03.)

6 Section 7.2. The Service Use Tax Act is amended by changing
7 Sections 3-10 and 9 as follows:

8 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

9 Sec. 3-10. Rate of tax. Unless otherwise provided in this
10 Section, the tax imposed by this Act is at the rate of 6.25% of
11 the selling price of tangible personal property transferred as
12 an incident to the sale of service, but, for the purpose of
13 computing this tax, in no event shall the selling price be less
14 than the cost price of the property to the serviceman.

15 Beginning on July 1, 2000 and through December 31, 2000 and
16 beginning again on January 1, 2008, with respect to motor fuel,
17 as defined in Section 1.1 of the Motor Fuel Tax Law, and
18 gasohol, as defined in Section 3-40 of the Use Tax Act, the tax
19 is imposed at the rate of 1.25%.

20 With respect to gasohol, as defined in the Use Tax Act, the
21 tax imposed by this Act applies to (i) 70% of the selling price
22 of property transferred as an incident to the sale of service
23 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
24 of the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before
2 December 31, 2013, and (iii) 100% of the selling price
3 thereafter. If, at any time, however, the tax under this Act on
4 sales of gasohol, as defined in the Use Tax Act, is imposed at
5 the rate of 1.25%, then the tax imposed by this Act applies to
6 100% of the proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, as defined
8 in the Use Tax Act, the tax imposed by this Act does not apply
9 to the selling price of property transferred as an incident to
10 the sale of service on or after July 1, 2003 and on or before
11 December 31, 2013 but applies to 100% of the selling price
12 thereafter.

13 With respect to biodiesel blends, as defined in the Use Tax
14 Act, with no less than 1% and no more than 10% biodiesel, the
15 tax imposed by this Act applies to (i) 80% of the selling price
16 of property transferred as an incident to the sale of service
17 on or after July 1, 2003 and on or before December 31, 2013 and
18 (ii) 100% of the proceeds of the selling price thereafter. If,
19 at any time, however, the tax under this Act on sales of
20 biodiesel blends, as defined in the Use Tax Act, with no less
21 than 1% and no more than 10% biodiesel is imposed at the rate
22 of 1.25%, then the tax imposed by this Act applies to 100% of
23 the proceeds of sales of biodiesel blends with no less than 1%
24 and no more than 10% biodiesel made during that time.

25 With respect to 100% biodiesel, as defined in the Use Tax
26 Act, and biodiesel blends, as defined in the Use Tax Act, with

1 more than 10% but no more than 99% biodiesel, the tax imposed
2 by this Act does not apply to the proceeds of the selling price
3 of property transferred as an incident to the sale of service
4 on or after July 1, 2003 and on or before December 31, 2013 but
5 applies to 100% of the selling price thereafter.

6 At the election of any registered serviceman made for each
7 fiscal year, sales of service in which the aggregate annual
8 cost price of tangible personal property transferred as an
9 incident to the sales of service is less than 35%, or 75% in
10 the case of servicemen transferring prescription drugs or
11 servicemen engaged in graphic arts production, of the aggregate
12 annual total gross receipts from all sales of service, the tax
13 imposed by this Act shall be based on the serviceman's cost
14 price of the tangible personal property transferred as an
15 incident to the sale of those services.

16 The tax shall be imposed at the rate of 1% on food prepared
17 for immediate consumption and transferred incident to a sale of
18 service subject to this Act or the Service Occupation Tax Act
19 by an entity licensed under the Hospital Licensing Act, the
20 Nursing Home Care Act, or the Child Care Act of 1969. The tax
21 shall also be imposed at the rate of 1% on food for human
22 consumption that is to be consumed off the premises where it is
23 sold (other than alcoholic beverages, soft drinks, and food
24 that has been prepared for immediate consumption and is not
25 otherwise included in this paragraph) and prescription and
26 nonprescription medicines, drugs, medical appliances,

1 modifications to a motor vehicle for the purpose of rendering
2 it usable by a disabled person, and insulin, urine testing
3 materials, syringes, and needles used by diabetics, for human
4 use. For the purposes of this Section, the term "soft drinks"
5 means any complete, finished, ready-to-use, non-alcoholic
6 drink, whether carbonated or not, including but not limited to
7 soda water, cola, fruit juice, vegetable juice, carbonated
8 water, and all other preparations commonly known as soft drinks
9 of whatever kind or description that are contained in any
10 closed or sealed bottle, can, carton, or container, regardless
11 of size. "Soft drinks" does not include coffee, tea,
12 non-carbonated water, infant formula, milk or milk products as
13 defined in the Grade A Pasteurized Milk and Milk Products Act,
14 or drinks containing 50% or more natural fruit or vegetable
15 juice.

16 Notwithstanding any other provisions of this Act, "food for
17 human consumption that is to be consumed off the premises where
18 it is sold" includes all food sold through a vending machine,
19 except soft drinks and food products that are dispensed hot
20 from a vending machine, regardless of the location of the
21 vending machine.

22 If the property that is acquired from a serviceman is
23 acquired outside Illinois and used outside Illinois before
24 being brought to Illinois for use here and is taxable under
25 this Act, the "selling price" on which the tax is computed
26 shall be reduced by an amount that represents a reasonable

1 allowance for depreciation for the period of prior out-of-state
2 use.

3 (Source: P.A. 93-17, eff. 6-11-03.)

4 Section 7.3. The Service Occupation Tax Act is amended by
5 changing Sections 3-10 and 9 as follows:

6 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 the "selling price", as defined in Section 2 of the Service Use
10 Tax Act, of the tangible personal property. For the purpose of
11 computing this tax, in no event shall the "selling price" be
12 less than the cost price to the serviceman of the tangible
13 personal property transferred. The selling price of each item
14 of tangible personal property transferred as an incident of a
15 sale of service may be shown as a distinct and separate item on
16 the serviceman's billing to the service customer. If the
17 selling price is not so shown, the selling price of the
18 tangible personal property is deemed to be 50% of the
19 serviceman's entire billing to the service customer. When,
20 however, a serviceman contracts to design, develop, and produce
21 special order machinery or equipment, the tax imposed by this
22 Act shall be based on the serviceman's cost price of the
23 tangible personal property transferred incident to the
24 completion of the contract.

1 Beginning on July 1, 2000 and through December 31, 2000 and
2 beginning again on January 1, 2008, with respect to motor fuel,
3 as defined in Section 1.1 of the Motor Fuel Tax Law, and
4 gasohol, as defined in Section 3-40 of the Use Tax Act, the tax
5 is imposed at the rate of 1.25%.

6 With respect to gasohol, as defined in the Use Tax Act, the
7 tax imposed by this Act shall apply to (i) 70% of the cost
8 price of property transferred as an incident to the sale of
9 service on or after January 1, 1990, and before July 1, 2003,
10 (ii) 80% of the selling price of property transferred as an
11 incident to the sale of service on or after July 1, 2003 and on
12 or before December 31, 2013, and (iii) 100% of the cost price
13 thereafter. If, at any time, however, the tax under this Act on
14 sales of gasohol, as defined in the Use Tax Act, is imposed at
15 the rate of 1.25%, then the tax imposed by this Act applies to
16 100% of the proceeds of sales of gasohol made during that time.

17 With respect to majority blended ethanol fuel, as defined
18 in the Use Tax Act, the tax imposed by this Act does not apply
19 to the selling price of property transferred as an incident to
20 the sale of service on or after July 1, 2003 and on or before
21 December 31, 2013 but applies to 100% of the selling price
22 thereafter.

23 With respect to biodiesel blends, as defined in the Use Tax
24 Act, with no less than 1% and no more than 10% biodiesel, the
25 tax imposed by this Act applies to (i) 80% of the selling price
26 of property transferred as an incident to the sale of service

1 on or after July 1, 2003 and on or before December 31, 2013 and
2 (ii) 100% of the proceeds of the selling price thereafter. If,
3 at any time, however, the tax under this Act on sales of
4 biodiesel blends, as defined in the Use Tax Act, with no less
5 than 1% and no more than 10% biodiesel is imposed at the rate
6 of 1.25%, then the tax imposed by this Act applies to 100% of
7 the proceeds of sales of biodiesel blends with no less than 1%
8 and no more than 10% biodiesel made during that time.

9 With respect to 100% biodiesel, as defined in the Use Tax
10 Act, and biodiesel blends, as defined in the Use Tax Act, with
11 more than 10% but no more than 99% biodiesel material, the tax
12 imposed by this Act does not apply to the proceeds of the
13 selling price of property transferred as an incident to the
14 sale of service on or after July 1, 2003 and on or before
15 December 31, 2013 but applies to 100% of the selling price
16 thereafter.

17 At the election of any registered serviceman made for each
18 fiscal year, sales of service in which the aggregate annual
19 cost price of tangible personal property transferred as an
20 incident to the sales of service is less than 35%, or 75% in
21 the case of servicemen transferring prescription drugs or
22 servicemen engaged in graphic arts production, of the aggregate
23 annual total gross receipts from all sales of service, the tax
24 imposed by this Act shall be based on the serviceman's cost
25 price of the tangible personal property transferred incident to
26 the sale of those services.

1 The tax shall be imposed at the rate of 1% on food prepared
2 for immediate consumption and transferred incident to a sale of
3 service subject to this Act or the Service Occupation Tax Act
4 by an entity licensed under the Hospital Licensing Act, the
5 Nursing Home Care Act, or the Child Care Act of 1969. The tax
6 shall also be imposed at the rate of 1% on food for human
7 consumption that is to be consumed off the premises where it is
8 sold (other than alcoholic beverages, soft drinks, and food
9 that has been prepared for immediate consumption and is not
10 otherwise included in this paragraph) and prescription and
11 nonprescription medicines, drugs, medical appliances,
12 modifications to a motor vehicle for the purpose of rendering
13 it usable by a disabled person, and insulin, urine testing
14 materials, syringes, and needles used by diabetics, for human
15 use. For the purposes of this Section, the term "soft drinks"
16 means any complete, finished, ready-to-use, non-alcoholic
17 drink, whether carbonated or not, including but not limited to
18 soda water, cola, fruit juice, vegetable juice, carbonated
19 water, and all other preparations commonly known as soft drinks
20 of whatever kind or description that are contained in any
21 closed or sealed can, carton, or container, regardless of size.
22 "Soft drinks" does not include coffee, tea, non-carbonated
23 water, infant formula, milk or milk products as defined in the
24 Grade A Pasteurized Milk and Milk Products Act, or drinks
25 containing 50% or more natural fruit or vegetable juice.

26 Notwithstanding any other provisions of this Act, "food for

1 human consumption that is to be consumed off the premises where
2 it is sold" includes all food sold through a vending machine,
3 except soft drinks and food products that are dispensed hot
4 from a vending machine, regardless of the location of the
5 vending machine.

6 (Source: P.A. 93-17, eff. 6-11-03.)

7 Section 7.4. The Retailers' Occupation Tax Act is amended
8 by changing Sections 2-10 and 3 as follows:

9 (35 ILCS 120/2-10) (from Ch. 120, par. 441-10)

10 Sec. 2-10. Rate of tax. Unless otherwise provided in this
11 Section, the tax imposed by this Act is at the rate of 6.25% of
12 gross receipts from sales of tangible personal property made in
13 the course of business.

14 Beginning on July 1, 2000 and through December 31, 2000 and
15 beginning again on January 1, 2008, with respect to motor fuel,
16 as defined in Section 1.1 of the Motor Fuel Tax Law, and
17 gasohol, as defined in Section 3-40 of the Use Tax Act, the tax
18 is imposed at the rate of 1.25%.

19 Within 14 days after the effective date of this amendatory
20 Act of the 91st General Assembly, each retailer of motor fuel
21 and gasohol shall cause the following notice to be posted in a
22 prominently visible place on each retail dispensing device that
23 is used to dispense motor fuel or gasohol in the State of
24 Illinois: "As of July 1, 2000, the State of Illinois has

1 eliminated the State's share of sales tax on motor fuel and
2 gasohol through December 31, 2000. The price on this pump
3 should reflect the elimination of the tax." The notice shall be
4 printed in bold print on a sign that is no smaller than 4
5 inches by 8 inches. The sign shall be clearly visible to
6 customers. Any retailer who fails to post or maintain a
7 required sign through December 31, 2000 is guilty of a petty
8 offense for which the fine shall be \$500 per day per each
9 retail premises where a violation occurs.

10 With respect to gasohol, as defined in the Use Tax Act, the
11 tax imposed by this Act applies to (i) 70% of the proceeds of
12 sales made on or after January 1, 1990, and before July 1,
13 2003, (ii) 80% of the proceeds of sales made on or after July
14 1, 2003 and on or before December 31, 2013, and (iii) 100% of
15 the proceeds of sales made thereafter. If, at any time,
16 however, the tax under this Act on sales of gasohol, as defined
17 in the Use Tax Act, is imposed at the rate of 1.25%, then the
18 tax imposed by this Act applies to 100% of the proceeds of
19 sales of gasohol made during that time.

20 With respect to majority blended ethanol fuel, as defined
21 in the Use Tax Act, the tax imposed by this Act does not apply
22 to the proceeds of sales made on or after July 1, 2003 and on or
23 before December 31, 2013 but applies to 100% of the proceeds of
24 sales made thereafter.

25 With respect to biodiesel blends, as defined in the Use Tax
26 Act, with no less than 1% and no more than 10% biodiesel, the

1 tax imposed by this Act applies to (i) 80% of the proceeds of
2 sales made on or after July 1, 2003 and on or before December
3 31, 2013 and (ii) 100% of the proceeds of sales made
4 thereafter. If, at any time, however, the tax under this Act on
5 sales of biodiesel blends, as defined in the Use Tax Act, with
6 no less than 1% and no more than 10% biodiesel is imposed at
7 the rate of 1.25%, then the tax imposed by this Act applies to
8 100% of the proceeds of sales of biodiesel blends with no less
9 than 1% and no more than 10% biodiesel made during that time.

10 With respect to 100% biodiesel, as defined in the Use Tax
11 Act, and biodiesel blends, as defined in the Use Tax Act, with
12 more than 10% but no more than 99% biodiesel, the tax imposed
13 by this Act does not apply to the proceeds of sales made on or
14 after July 1, 2003 and on or before December 31, 2013 but
15 applies to 100% of the proceeds of sales made thereafter.

16 With respect to food for human consumption that is to be
17 consumed off the premises where it is sold (other than
18 alcoholic beverages, soft drinks, and food that has been
19 prepared for immediate consumption) and prescription and
20 nonprescription medicines, drugs, medical appliances,
21 modifications to a motor vehicle for the purpose of rendering
22 it usable by a disabled person, and insulin, urine testing
23 materials, syringes, and needles used by diabetics, for human
24 use, the tax is imposed at the rate of 1%. For the purposes of
25 this Section, the term "soft drinks" means any complete,
26 finished, ready-to-use, non-alcoholic drink, whether

1 carbonated or not, including but not limited to soda water,
2 cola, fruit juice, vegetable juice, carbonated water, and all
3 other preparations commonly known as soft drinks of whatever
4 kind or description that are contained in any closed or sealed
5 bottle, can, carton, or container, regardless of size. "Soft
6 drinks" does not include coffee, tea, non-carbonated water,
7 infant formula, milk or milk products as defined in the Grade A
8 Pasteurized Milk and Milk Products Act, or drinks containing
9 50% or more natural fruit or vegetable juice.

10 Notwithstanding any other provisions of this Act, "food for
11 human consumption that is to be consumed off the premises where
12 it is sold" includes all food sold through a vending machine,
13 except soft drinks and food products that are dispensed hot
14 from a vending machine, regardless of the location of the
15 vending machine.

16 (Source: P.A. 93-17, eff. 6-11-03.)

17 Section 7.5. The Motor Fuel Tax Law is amended by changing
18 Sections 2 and 8 and by adding Section 8b as follows:

19 (35 ILCS 505/2) (from Ch. 120, par. 418)

20 Sec. 2. A tax is imposed on the privilege of operating
21 motor vehicles upon the public highways and recreational-type
22 watercraft upon the waters of this State.

23 (a) Prior to August 1, 1989, the tax is imposed at the rate
24 of 13 cents per gallon on all motor fuel used in motor vehicles

1 operating on the public highways and recreational type
2 watercraft operating upon the waters of this State. Beginning
3 on August 1, 1989 and until January 1, 1990, the rate of the
4 tax imposed in this paragraph shall be 16 cents per gallon.
5 Beginning January 1, 1990, the rate of tax imposed in this
6 paragraph shall be 19 cents per gallon.

7 (b) The tax on the privilege of operating motor vehicles
8 which use diesel fuel shall be the rate according to paragraph
9 (a) plus an additional 2 1/2 cents per gallon. "Diesel fuel" is
10 defined as any product intended for use or offered for sale as
11 a fuel for engines in which the fuel is injected into the
12 combustion chamber and ignited by pressure without electric
13 spark.

14 (c) A tax is imposed upon the privilege of engaging in the
15 business of selling motor fuel as a retailer or reseller on all
16 motor fuel used in motor vehicles operating on the public
17 highways and recreational type watercraft operating upon the
18 waters of this State: (1) at the rate of 3 cents per gallon on
19 motor fuel owned or possessed by such retailer or reseller at
20 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents per
21 gallon on motor fuel owned or possessed by such retailer or
22 reseller at 12:01 A.M. on January 1, 1990.

23 Retailers and resellers who are subject to this additional
24 tax shall be required to inventory such motor fuel and pay this
25 additional tax in a manner prescribed by the Department of
26 Revenue.

1 The tax imposed in this paragraph (c) shall be in addition
2 to all other taxes imposed by the State of Illinois or any unit
3 of local government in this State.

4 (d) Except as provided in Section 2a, the collection of a
5 tax based on gallonage of gasoline used for the propulsion of
6 any aircraft is prohibited on and after October 1, 1979.

7 (e) The collection of a tax, based on gallonage of all
8 products commonly or commercially known or sold as 1-K
9 kerosene, regardless of its classification or uses, is
10 prohibited (i) on and after July 1, 1992 until December 31,
11 1999, except when the 1-K kerosene is either: (1) delivered
12 into bulk storage facilities of a bulk user, or (2) delivered
13 directly into the fuel supply tanks of motor vehicles and (ii)
14 on and after January 1, 2000. Beginning on January 1, 2000, the
15 collection of a tax, based on gallonage of all products
16 commonly or commercially known or sold as 1-K kerosene,
17 regardless of its classification or uses, is prohibited except
18 when the 1-K kerosene is delivered directly into a storage tank
19 that is located at a facility that has withdrawal facilities
20 that are readily accessible to and are capable of dispensing
21 1-K kerosene into the fuel supply tanks of motor vehicles.

22 Any person who sells or uses 1-K kerosene for use in motor
23 vehicles upon which the tax imposed by this Law has not been
24 paid shall be liable for any tax due on the sales or use of 1-K
25 kerosene.

26 (f) In addition to the taxes established in the foregoing

1 subsections, a tax is imposed on the privilege of operating
2 motor vehicles upon the public highways and operating
3 recreational type watercraft upon the waters of this State. For
4 the 2008 calendar year, the tax imposed by this paragraph is at
5 the rate of \$0.08 cents per gallon on all motor fuel used in
6 motor vehicles operating on the public highways, recreational
7 type watercraft operating upon the waters, special fuel as
8 defined in Section 1.13, and diesel fuel sold in this State.
9 For each calendar year thereafter, the rate of tax is adjusted
10 over the tax rate of the previous calendar year by the annual
11 rate of increase or decrease, for the previous calendar year,
12 of the Consumer Price Index for All Urban Consumers for all
13 items, published by the United States Bureau of Labor
14 Statistics. The purpose of this tax is to provide grants to
15 public entities in the State of Illinois for transportation
16 purposes as provided in Section 8b of this Act.

17 (Source: P.A. 93-17, eff. 6-11-03.)

18 (35 ILCS 505/8) (from Ch. 120, par. 424)

19 Sec. 8. Except as provided in Section 8a, Section 8b,
20 subdivision (h) (1) of Section 12a, Section 13a.6, and items 13,
21 14, 15, and 16 of Section 15, all money received by the
22 Department under this Act, including payments made to the
23 Department by member jurisdictions participating in the
24 International Fuel Tax Agreement, shall be deposited in a
25 special fund in the State treasury, to be known as the "Motor

1 Fuel Tax Fund", and shall be used as follows:

2 (a) 2 1/2 cents per gallon of the tax collected on special
3 fuel under paragraph (b) of Section 2 and Section 13a of this
4 Act shall be transferred to the State Construction Account Fund
5 in the State Treasury;

6 (b) \$420,000 shall be transferred each month to the State
7 Boating Act Fund to be used by the Department of Natural
8 Resources for the purposes specified in Article X of the Boat
9 Registration and Safety Act;

10 (c) \$2,250,000 shall be transferred each month to the Grade
11 Crossing Protection Fund to be used as follows: not less than
12 \$6,000,000 each fiscal year shall be used for the construction
13 or reconstruction of rail highway grade separation structures;
14 \$2,250,000 in fiscal year 2004 and each fiscal year thereafter
15 shall be transferred to the Transportation Regulatory Fund and
16 shall be accounted for as part of the rail carrier portion of
17 such funds and shall be used to pay the cost of administration
18 of the Illinois Commerce Commission's railroad safety program
19 in connection with its duties under subsection (3) of Section
20 18c-7401 of the Illinois Vehicle Code, with the remainder to be
21 used by the Department of Transportation upon order of the
22 Illinois Commerce Commission, to pay that part of the cost
23 apportioned by such Commission to the State to cover the
24 interest of the public in the use of highways, roads, streets,
25 or pedestrian walkways in the county highway system, township
26 and district road system, or municipal street system as defined

1 in the Illinois Highway Code, as the same may from time to time
2 be amended, for separation of grades, for installation,
3 construction or reconstruction of crossing protection or
4 reconstruction, alteration, relocation including construction
5 or improvement of any existing highway necessary for access to
6 property or improvement of any grade crossing including the
7 necessary highway approaches thereto of any railroad across the
8 highway or public road, or for the installation, construction,
9 reconstruction, or maintenance of a pedestrian walkway over or
10 under a railroad right-of-way, as provided for in and in
11 accordance with Section 18c-7401 of the Illinois Vehicle Code.
12 The Commission shall not order more than \$2,000,000 per year in
13 Grade Crossing Protection Fund moneys for pedestrian walkways.
14 In entering orders for projects for which payments from the
15 Grade Crossing Protection Fund will be made, the Commission
16 shall account for expenditures authorized by the orders on a
17 cash rather than an accrual basis. For purposes of this
18 requirement an "accrual basis" assumes that the total cost of
19 the project is expended in the fiscal year in which the order
20 is entered, while a "cash basis" allocates the cost of the
21 project among fiscal years as expenditures are actually made.
22 To meet the requirements of this subsection, the Illinois
23 Commerce Commission shall develop annual and 5-year project
24 plans of rail crossing capital improvements that will be paid
25 for with moneys from the Grade Crossing Protection Fund. The
26 annual project plan shall identify projects for the succeeding

1 fiscal year and the 5-year project plan shall identify projects
2 for the 5 directly succeeding fiscal years. The Commission
3 shall submit the annual and 5-year project plans for this Fund
4 to the Governor, the President of the Senate, the Senate
5 Minority Leader, the Speaker of the House of Representatives,
6 and the Minority Leader of the House of Representatives on the
7 first Wednesday in April of each year;

8 (d) of the amount remaining after allocations provided for
9 in subsections (a), (b) and (c), a sufficient amount shall be
10 reserved to pay all of the following:

11 (1) the costs of the Department of Revenue in
12 administering this Act;

13 (2) the costs of the Department of Transportation in
14 performing its duties imposed by the Illinois Highway Code
15 for supervising the use of motor fuel tax funds apportioned
16 to municipalities, counties and road districts;

17 (3) refunds provided for in Section 13 of this Act and
18 under the terms of the International Fuel Tax Agreement
19 referenced in Section 14a;

20 (4) from October 1, 1985 until June 30, 1994, the
21 administration of the Vehicle Emissions Inspection Law,
22 which amount shall be certified monthly by the
23 Environmental Protection Agency to the State Comptroller
24 and shall promptly be transferred by the State Comptroller
25 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
26 Inspection Fund, and for the period July 1, 1994 through

1 June 30, 2000, one-twelfth of \$25,000,000 each month, for
2 the period July 1, 2000 through June 30, 2003, one-twelfth
3 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,
4 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each
5 July 1 and October 1, or as soon thereafter as may be
6 practical, during the period July 1, 2004 through June 30,
7 2008, for the administration of the Vehicle Emissions
8 Inspection Law of 1995, to be transferred by the State
9 Comptroller and Treasurer from the Motor Fuel Tax Fund into
10 the Vehicle Inspection Fund;

11 (5) amounts ordered paid by the Court of Claims; and

12 (6) payment of motor fuel use taxes due to member
13 jurisdictions under the terms of the International Fuel Tax
14 Agreement. The Department shall certify these amounts to
15 the Comptroller by the 15th day of each month; the
16 Comptroller shall cause orders to be drawn for such
17 amounts, and the Treasurer shall administer those amounts
18 on or before the last day of each month;

19 (e) after allocations for the purposes set forth in
20 subsections (a), (b), (c) and (d), the remaining amount shall
21 be apportioned as follows:

22 (1) Until January 1, 2000, 58.4%, and beginning January
23 1, 2000, 45.6% shall be deposited as follows:

24 (A) 37% into the State Construction Account Fund,

25 and

26 (B) 63% into the Road Fund, \$1,250,000 of which

1 shall be reserved each month for the Department of
2 Transportation to be used in accordance with the
3 provisions of Sections 6-901 through 6-906 of the
4 Illinois Highway Code;

5 (2) Until January 1, 2000, 41.6%, and beginning January
6 1, 2000, 54.4% shall be transferred to the Department of
7 Transportation to be distributed as follows:

8 (A) 49.10% to the municipalities of the State,

9 (B) 16.74% to the counties of the State having
10 1,000,000 or more inhabitants,

11 (C) 18.27% to the counties of the State having less
12 than 1,000,000 inhabitants,

13 (D) 15.89% to the road districts of the State.

14 As soon as may be after the first day of each month the
15 Department of Transportation shall allot to each municipality
16 its share of the amount apportioned to the several
17 municipalities which shall be in proportion to the population
18 of such municipalities as determined by the last preceding
19 municipal census if conducted by the Federal Government or
20 Federal census. If territory is annexed to any municipality
21 subsequent to the time of the last preceding census the
22 corporate authorities of such municipality may cause a census
23 to be taken of such annexed territory and the population so
24 ascertained for such territory shall be added to the population
25 of the municipality as determined by the last preceding census
26 for the purpose of determining the allotment for that

1 municipality. If the population of any municipality was not
2 determined by the last Federal census preceding any
3 apportionment, the apportionment to such municipality shall be
4 in accordance with any census taken by such municipality. Any
5 municipal census used in accordance with this Section shall be
6 certified to the Department of Transportation by the clerk of
7 such municipality, and the accuracy thereof shall be subject to
8 approval of the Department which may make such corrections as
9 it ascertains to be necessary.

10 As soon as may be after the first day of each month the
11 Department of Transportation shall allot to each county its
12 share of the amount apportioned to the several counties of the
13 State as herein provided. Each allotment to the several
14 counties having less than 1,000,000 inhabitants shall be in
15 proportion to the amount of motor vehicle license fees received
16 from the residents of such counties, respectively, during the
17 preceding calendar year. The Secretary of State shall, on or
18 before April 15 of each year, transmit to the Department of
19 Transportation a full and complete report showing the amount of
20 motor vehicle license fees received from the residents of each
21 county, respectively, during the preceding calendar year. The
22 Department of Transportation shall, each month, use for
23 allotment purposes the last such report received from the
24 Secretary of State.

25 As soon as may be after the first day of each month, the
26 Department of Transportation shall allot to the several

1 counties their share of the amount apportioned for the use of
2 road districts. The allotment shall be apportioned among the
3 several counties in the State in the proportion which the total
4 mileage of township or district roads in the respective
5 counties bears to the total mileage of all township and
6 district roads in the State. Funds allotted to the respective
7 counties for the use of road districts therein shall be
8 allocated to the several road districts in the county in the
9 proportion which the total mileage of such township or district
10 roads in the respective road districts bears to the total
11 mileage of all such township or district roads in the county.
12 After July 1 of any year, no allocation shall be made for any
13 road district unless it levied a tax for road and bridge
14 purposes in an amount which will require the extension of such
15 tax against the taxable property in any such road district at a
16 rate of not less than either .08% of the value thereof, based
17 upon the assessment for the year immediately prior to the year
18 in which such tax was levied and as equalized by the Department
19 of Revenue or, in DuPage County, an amount equal to or greater
20 than \$12,000 per mile of road under the jurisdiction of the
21 road district, whichever is less. If any road district has
22 levied a special tax for road purposes pursuant to Sections
23 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such
24 tax was levied in an amount which would require extension at a
25 rate of not less than .08% of the value of the taxable property
26 thereof, as equalized or assessed by the Department of Revenue,

1 or, in DuPage County, an amount equal to or greater than
2 \$12,000 per mile of road under the jurisdiction of the road
3 district, whichever is less, such levy shall, however, be
4 deemed a proper compliance with this Section and shall qualify
5 such road district for an allotment under this Section. If a
6 township has transferred to the road and bridge fund money
7 which, when added to the amount of any tax levy of the road
8 district would be the equivalent of a tax levy requiring
9 extension at a rate of at least .08%, or, in DuPage County, an
10 amount equal to or greater than \$12,000 per mile of road under
11 the jurisdiction of the road district, whichever is less, such
12 transfer, together with any such tax levy, shall be deemed a
13 proper compliance with this Section and shall qualify the road
14 district for an allotment under this Section.

15 In counties in which a property tax extension limitation is
16 imposed under the Property Tax Extension Limitation Law, road
17 districts may retain their entitlement to a motor fuel tax
18 allotment if, at the time the property tax extension limitation
19 was imposed, the road district was levying a road and bridge
20 tax at a rate sufficient to entitle it to a motor fuel tax
21 allotment and continues to levy the maximum allowable amount
22 after the imposition of the property tax extension limitation.
23 Any road district may in all circumstances retain its
24 entitlement to a motor fuel tax allotment if it levied a road
25 and bridge tax in an amount that will require the extension of
26 the tax against the taxable property in the road district at a

1 rate of not less than 0.08% of the assessed value of the
2 property, based upon the assessment for the year immediately
3 preceding the year in which the tax was levied and as equalized
4 by the Department of Revenue or, in DuPage County, an amount
5 equal to or greater than \$12,000 per mile of road under the
6 jurisdiction of the road district, whichever is less.

7 As used in this Section the term "road district" means any
8 road district, including a county unit road district, provided
9 for by the Illinois Highway Code; and the term "township or
10 district road" means any road in the township and district road
11 system as defined in the Illinois Highway Code. For the
12 purposes of this Section, "road district" also includes park
13 districts, forest preserve districts and conservation
14 districts organized under Illinois law and "township or
15 district road" also includes such roads as are maintained by
16 park districts, forest preserve districts and conservation
17 districts. The Department of Transportation shall determine
18 the mileage of all township and district roads for the purposes
19 of making allotments and allocations of motor fuel tax funds
20 for use in road districts.

21 Payment of motor fuel tax moneys to municipalities and
22 counties shall be made as soon as possible after the allotment
23 is made. The treasurer of the municipality or county may invest
24 these funds until their use is required and the interest earned
25 by these investments shall be limited to the same uses as the
26 principal funds.

1 (Source: P.A. 93-32, eff. 6-20-03; 93-839, eff. 7-30-04;
2 94-839, eff. 6-6-06.)

3 (35 ILCS 505/8b new)

4 Sec. 8b. Distribution of proceeds into the Metropolitan
5 Transit and Road Improvement Fund.

6 (a) All money received by the Department under paragraph
7 (f) of Section 2 of this Act shall be deposited into a special
8 fund in the State treasury, to be known as the Metropolitan
9 Transit and Road Improvement Fund and must be apportioned and
10 disbursed as follows:

11 (1) All of the proceeds collected from within the
12 counties of Cook, Lake, DuPage, Kane, McHenry, and Will
13 shall be distributed to the Regional Transportation
14 Authority and must be used to make grants to the service
15 boards for mass transit-related purposes.

16 (2) All of the proceeds collected from outside the
17 counties of Cook, Lake, DuPage, Kane, McHenry, and Will
18 shall be distributed to the Illinois Department of
19 Transportation and must be used for the following
20 transportation-related purposes in counties other than
21 Cook, Lake, DuPage, Kane, McHenry, and Will: (i) the Road
22 Fund; (ii) the Downstate Transit Improvement Fund; and
23 (iii) payments made by the Department of Transportation to
24 Amtrak for passenger-train service in Illinois.

25 (c) The disbursement of any moneys under this Section may

1 not reduce any amount to be appropriated to a municipality,
2 township, or county, under any statutory local highway program
3 or discretionary local highway program.

4 Section 8. The Illinois Pension Code is amended by changing
5 Section 22-101 and by adding Section 22-101B as follows:

6 (40 ILCS 5/22-101) (from Ch. 108 1/2, par. 22-101)

7 Sec. 22-101. Retirement Plan for Chicago Transit Authority
8 Employees. Metropolitan Transit Authority (CTA) Pension Fund.

9 (a) There shall be established and maintained by the
10 Authority created by the "Metropolitan Transit Authority Act",
11 approved April 12, 1945, as amended, (referred to in this
12 Section as the "Authority") a financially sound pension and
13 retirement system adequate to provide for all payments when due
14 under such established system or as modified from time to time
15 by ordinance of the Chicago Transit Board or collective
16 bargaining agreement. For this purpose, the Board must make
17 contributions to the established system as required under this
18 Section and may make any additional contributions provided for
19 by Board ordinance or collective bargaining agreement. The
20 participating employees shall make such periodic payments to
21 the established system as required under this Section and may
22 make any additional contributions provided for ~~may be~~
23 ~~determined~~ by Board ordinance or collective bargaining
24 agreement. ~~The Board, in lieu of social security payments~~

1 ~~required to be paid by private corporations engaged in similar~~
2 ~~activity, shall make payments into such established system at~~
3 ~~least equal in amount to the amount so required to be paid by~~
4 ~~such private corporations.~~

5 Provisions shall be made by the Board for all ~~Board~~
6 ~~members,~~ officers and employees of the Authority appointed
7 pursuant to the "Metropolitan Transit Authority Act" to become,
8 subject to reasonable rules and regulations, participants
9 ~~members or beneficiaries~~ of the pension or retirement system
10 with uniform rights, privileges, obligations and status as to
11 the class in which such officers and employees belong. The
12 terms, conditions and provisions of any pension or retirement
13 system or of any amendment or modification thereof affecting
14 employees who are members of any labor organization may be
15 established, amended or modified by agreement with such labor
16 organization, provided the terms, conditions and provisions
17 must be consistent with this Act, the annual funding levels for
18 the retirement system established by law must be met and the
19 benefits paid to future participants in the system may not
20 exceed the benefit ceilings set for future participants under
21 this Act and the contribution levels required by the Authority
22 and its employees may not be less than the contribution levels
23 established under this Act ~~but must be consistent with the~~
24 ~~requirements of this Section.~~

25 (b) The Board of Trustees shall consist of 11 members
26 appointed as follows: (i) 5 trustees shall be appointed by the

1 Chicago Transit Board; (ii) 3 trustees shall be appointed by an
2 organization representing the highest number of Chicago
3 Transit Authority participants; (iii) one trustee shall be
4 appointed by an organization representing the second-highest
5 number of Chicago Transit Authority participants; (iv) one
6 trustee shall be appointed by the recognized coalition
7 representatives of participants who are not represented by an
8 organization with the highest or second-highest number of
9 Chicago Transit Authority participants; and (v) one trustee
10 shall be selected by the Regional Transportation Authority
11 Board of Directors, and the trustee shall be a professional
12 fiduciary who has experience in the area of collectively
13 bargained pension plans. Trustees shall serve until a successor
14 has been appointed and qualified, or until resignation, death,
15 incapacity, or disqualification.

16 Any person appointed as a trustee of the board shall
17 qualify by taking an oath of office that he or she will
18 diligently and honestly administer the affairs of the system
19 and will not knowingly violate or willfully permit the
20 violation of any of the provisions of law applicable to the
21 Plan, including Sections 1-109, 1-109.1, 1-109.2, 1-110,
22 1-111, 1-114, and 1-115 of the Illinois Pension Code.

23 Each trustee shall cast individual votes, and a majority
24 vote shall be final and binding upon all interested parties,
25 provided that the Board of Trustees may require a supermajority
26 vote with respect to the investment of the assets of the

1 Retirement Plan, and may set forth that requirement in the
2 Retirement Plan documents, by-laws, or rules of the Board of
3 Trustees. Each trustee shall have the rights, privileges,
4 authority, and obligations as are usual and customary for such
5 fiduciaries.

6 The Board of Trustees may cause amounts on deposit in the
7 Retirement Plan to be invested in those investments that are
8 permitted investments for the investment of moneys held under
9 any one or more of the pension or retirement systems of the
10 State, any unit of local government or school district, or any
11 agency or instrumentality thereof. The Board, by a vote of at
12 least two-thirds of the trustees, may transfer investment
13 management to the Illinois State Board of Investment, which is
14 hereby authorized to manage these investments when so requested
15 by the Board of Trustees.

16 (c) All individuals who were previously participants in the
17 Retirement Plan for Chicago Transit Authority Employees shall
18 remain participants, and shall receive the same benefits
19 established by the Retirement Plan for Chicago Transit
20 Authority Employees, except as provided in this amendatory Act
21 or by subsequent legislative enactment or amendment to the
22 Retirement Plan. For Authority employees hired on or after
23 January 1, 2008, the Retirement Plan for Chicago Transit
24 Authority Employees shall be the exclusive retirement plan and
25 such employees shall not be eligible for any supplemental plan,
26 except for a deferred compensation plan funded only by employee

1 contributions.

2 For all Authority employees who are first hired on or after
3 January 1, 2008 and are participants in the Retirement Plan for
4 Chicago Transit Authority Employees, the following terms,
5 conditions and provisions with respect to retirement shall be
6 applicable:

7 (1) Such participant shall be eligible for an unreduced
8 retirement allowance for life upon the attainment of age 64
9 with 25 years of continuous service.

10 (2) Such participant shall be eligible for a reduced
11 retirement allowance for life upon the attainment of age 55
12 with 10 years of continuous service.

13 (3) For the purpose of determining the retirement
14 allowance to be paid to a retiring employee, the term
15 "Continuous Service" as used in the Retirement Plan for
16 Chicago Transit Authority Employees shall also be deemed to
17 include all pension credit for service with any retirement
18 system established under Article 8 or Article 11 of this
19 Code, provided that the employee forfeits and relinquishes
20 all pension credit under Article 8 or Article 11 of this
21 Code, and the contribution required under this subsection
22 is made by the employee. The Retirement Plan's actuary
23 shall determine the contribution paid by the employee as an
24 amount equal to the normal cost of the benefit accrued, had
25 the service been rendered as an employee, plus interest per
26 annum from the time such service was rendered until the

1 date the payment is made.

2 (d) From the effective date of this amendatory Act through
3 December 31, 2008, all participating employees shall
4 contribute to the Retirement Plan in an amount not less than 6%
5 of compensation, and the Authority shall contribute to the
6 Retirement Plan in an amount not less than 12% of compensation.

7 (e) (1) Beginning January 1, 2009 the Authority shall make
8 contributions to the Retirement Plan in an amount equal to
9 twelve percent (12%) of compensation and participating
10 employees shall make contributions to the Retirement Plan in an
11 amount equal to six percent (6%) of compensation. These
12 contributions may be paid by the Authority and participating
13 employees on a payroll or other periodic basis, but shall in
14 any case be paid to the Retirement Plan at least monthly.

15 (2) For the period ending December 31, 2039, the amount
16 paid by the Authority in any year with respect to debt service
17 on bonds issued for the purposes of funding a contribution to
18 the Retirement Plan under Section 12c of the Metropolitan
19 Transit Authority Act, other than debt service paid with the
20 proceeds of bonds or notes issued by the Authority for any year
21 after calendar year 2008, shall be treated as a credit against
22 the amount of required contribution to the Retirement Plan by
23 the Authority under subsection (e) (1) for the following year up
24 to an amount not to exceed 6% of compensation paid by the
25 Authority in that following year.

26 (3) By September 15 of each year beginning in 2009 and

1 ending on December 31, 2038, on the basis of a report prepared
2 by an enrolled actuary retained by the Plan, the Board of
3 Trustees of the Retirement Plan shall determine the estimated
4 funded ratio of the total assets of the Retirement Plan to its
5 total actuarially determined liabilities. A report containing
6 that determination and the actuarial assumptions on which it is
7 based shall be filed with the Authority, the representatives of
8 its participating employees, the Auditor General of the State
9 of Illinois, and the Regional Transportation Authority. If the
10 funded ratio is projected to decline below 60% in any year
11 before 2039, the Board of Trustees shall also determine the
12 increased contribution required each year as a level percentage
13 of payroll over the years remaining until 2039 using the
14 projected unit credit actuarial cost method so the funded ratio
15 does not decline below 60% and include that determination in
16 its report. If the actual funded ratio declines below 60% in
17 any year prior to 2039, the Board of Trustees shall also
18 determine the increased contribution required each year as a
19 level percentage of payroll during the years after the then
20 current year using the projected unit credit actuarial cost
21 method so the funded ratio is projected to reach at least 60%
22 no later than 10 years after the then current year and include
23 that determination in its report. Within 60 days after
24 receiving the report, the Auditor General shall review the
25 determination and the assumptions on which it is based, and if
26 he finds that the determination and the assumptions on which it

1 is based are unreasonable in the aggregate, he shall issue a
2 new determination of the funded ratio, the assumptions on which
3 it is based and the increased contribution required each year
4 as a level percentage of payroll over the years remaining until
5 2039 using the projected unit credit actuarial cost method so
6 the funded ratio does not decline below 60%, or, in the event
7 of an actual decline below 60%, so the funded ratio is
8 projected to reach 60% by no later than 10 years after the then
9 current year. If the Board of Trustees or the Auditor General
10 determine that an increased contribution is required to meet
11 the funded ratio required by the subsection, effective January
12 1 following the determination or 30 days after such
13 determination, whichever is later, one-third of the increased
14 contribution shall be paid by participating employees and
15 two-thirds by the Authority, in addition to the contributions
16 required by this subsection (1).

17 (4) For the period beginning 2039, the minimum contribution
18 to the Retirement Plan for each fiscal year shall be an amount
19 determined by the Board of Trustees of the Retirement Plan to
20 be sufficient to bring the total assets of the Retirement Plan
21 up to 90% of its total actuarial liabilities by the end of
22 2058. Participating employees shall be responsible for
23 one-third of the required contribution and the Authority shall
24 be responsible for two-thirds of the required contribution. In
25 making these determinations, the Board of Trustees shall
26 calculate the required contribution each year as a level

1 percentage of payroll over the years remaining to and including
2 fiscal year 2058 using the projected unit credit actuarial cost
3 method. A report containing that determination and the
4 actuarial assumptions on which it is based shall be filed by
5 September 15 of each year with the Authority, the
6 representatives of its participating employees, the Auditor
7 General of the State of Illinois and the Regional
8 Transportation Authority. If the funded ratio is projected to
9 fail to reach 90% by December 31, 2058, the Board of Trustees
10 shall also determine the increased contribution required each
11 year as a level percentage of payroll over the years remaining
12 until December 31, 2058 using the projected unit credit
13 actuarial cost method so the funded ratio will meet 90% by
14 December 31, 2058 and include that determination in its report.
15 Within 60 days after receiving the report, the Auditor General
16 shall review the determination and the assumptions on which it
17 is based and if he finds that the determination and the
18 assumptions on which it is based are unreasonable in the
19 aggregate, he shall issue a new determination of the funded
20 ratio, the assumptions on which it is based and the increased
21 contribution required each year as a level percentage of
22 payroll over the years remaining until December 31, 2058 using
23 the projected unit credit actuarial cost method so the funded
24 ratio reaches no less than 90% by December 31, 2058. If the
25 Board of Trustees or the Auditor General determine that an
26 increased contribution is required to meet the funded ratio

1 required by this subsection, effective January 1 following the
2 determination or 30 days after such determination, whichever is
3 later, one-third of the increased contribution shall be paid by
4 participating employees and two-thirds by the Authority, in
5 addition to the contributions required by subsection (e) (1).

6 (5) Beginning in 2059, the minimum contribution for each
7 year shall be the amount needed to maintain the total assets of
8 the Retirement Plan at 90% of the total actuarial liabilities
9 of the Plan, and the contribution shall be funded two-thirds by
10 the Authority and one-third by the participating employees in
11 accordance with this subsection.

12 (f) The Authority shall take the steps necessary to comply
13 with Section 414(h) (2) of the Internal Revenue Code of 1986, as
14 amended, to permit the pick-up of employee contributions under
15 subsections (d) and (e) on a tax-deferred basis.

16 (g) The Board of Trustees shall certify to the Governor,
17 the General Assembly, the Auditor General, the Board of the
18 Regional Transportation Authority, and the Authority at least
19 90 days prior to the end of each fiscal year the amount of the
20 required contributions to the retirement system for the next
21 retirement system fiscal year under this Section. The
22 certification shall include a copy of the actuarial
23 recommendations upon which it is based. In addition, copies of
24 the certification shall be sent to the Commission on Government
25 Forecasting and Accountability and the Mayor of Chicago.

26 (h) (1) As to an employee who first becomes entitled to a

1 retirement allowance commencing on or after November 30, 1989,
2 the retirement allowance shall be the amount determined in
3 accordance with the following formula:

4 (A) One percent (1%) of his "Average Annual
5 Compensation in the highest four (4) completed Plan Years"
6 for each full year of continuous service from the date of
7 original employment to the effective date of the Plan; plus

8 (B) One and seventy-five hundredths percent (1.75%) of
9 his "Average Annual Compensation in the highest four (4)
10 completed Plan Years" for each year (including fractions
11 thereof to completed calendar months) of continuous
12 service as provided for in the Retirement Plan for Chicago
13 Transit Authority Employees.

14 Provided, however that:

15 (2) As to an employee who first becomes entitled to a
16 retirement allowance commencing on or after January 1, 1993,
17 the retirement allowance shall be the amount determined in
18 accordance with the following formula:

19 (A) One percent (1%) of his "Average Annual
20 Compensation in the highest four (4) completed Plan Years"
21 for each full year of continuous service from the date of
22 original employment to the effective date of the Plan; plus

23 (B) One and eighty hundredths percent (1.80%) of his
24 "Average Annual Compensation in the highest four (4)
25 completed Plan Years" for each year (including fractions
26 thereof to completed calendar months) of continuous

1 service as provided for in the Retirement Plan for Chicago
2 Transit Authority Employees.

3 Provided, however that:

4 (3) As to an employee who first becomes entitled to a
5 retirement allowance commencing on or after January 1, 1994,
6 the retirement allowance shall be the amount determined in
7 accordance with the following formula:

8 (A) One percent (1%) of his "Average Annual
9 Compensation in the highest four (4) completed Plan Years"
10 for each full year of continuous service from the date of
11 original employment to the effective date of the Plan; plus

12 (B) One and eighty-five hundredths percent (1.85%) of
13 his "Average Annual Compensation in the highest four (4)
14 completed Plan Years" for each year (including fractions
15 thereof to completed calendar months) of continuous
16 service as provided for in the Retirement Plan for Chicago
17 Transit Authority Employees.

18 Provided, however that:

19 (4) As to an employee who first becomes entitled to a
20 retirement allowance commencing on or after January 1, 2000,
21 the retirement allowance shall be the amount determined in
22 accordance with the following formula:

23 (A) One percent (1%) of his "Average Annual
24 Compensation in the highest four (4) completed Plan Years"
25 for each full year of continuous service from the date of
26 original employment to the effective date of the Plan; plus

1 (B) Two percent (2%) of his "Average Annual
2 Compensation in the highest four (4) completed Plan Years"
3 for each year (including fractions thereof to completed
4 calendar months) of continuous service as provided for in
5 the Retirement Plan for Chicago Transit Authority
6 Employees.

7 Provided, however that:

8 (5) As to an employee who first becomes entitled to a
9 retirement allowance commencing on or after January 1, 2001,
10 the retirement allowance shall be the amount determined in
11 accordance with the following formula:

12 (A) One percent (1%) of his "Average Annual
13 Compensation in the highest four (4) completed Plan Years"
14 for each full year of continuous service from the date of
15 original employment to the effective date of the Plan; plus

16 (B) Two and fifteen hundredths percent (2.15%) of his
17 "Average Annual Compensation in the highest four (4)
18 completed Plan Years" for each year (including fractions
19 thereof to completed calendar months) of continuous
20 service as provided for in the Retirement Plan for Chicago
21 Transit Authority Employees.

22 The changes made by this amendatory Act of the 95th General
23 Assembly, to the extent that they affect the rights or
24 privileges of Authority employees that are currently the
25 subject of collective bargaining, have been agreed to between
26 the authorized representatives of these employees and of the

1 Authority prior to enactment of this amendatory Act, as
2 evidenced by a Memorandum of Understanding between these
3 representatives that will be filed with the Secretary of State
4 Index Department and designated as "95-GA-C05". The General
5 Assembly finds and declares that those changes are consistent
6 with 49 U.S.C. 5333(b) (also known as Section 13(c) of the
7 Federal Transit Act) because of this agreement between
8 authorized representatives of these employees and of the
9 Authority, and that any future amendments to the provisions of
10 this amendatory Act of the 95th General Assembly, to the extent
11 those amendments would affect the rights and privileges of
12 Authority employees that are currently the subject of
13 collective bargaining, would be consistent with 49 U.S.C.
14 5333(b) if and only if those amendments were agreed to between
15 these authorized representatives prior to enactment.

16 (i) Early retirement incentive plan; funded ratio.

17 (1) Beginning on the effective date of this Section, no
18 early retirement incentive shall be offered to
19 participants of the Plan unless the Funded Ratio of the
20 Plan is at least 80% or more.

21 (2) For the purposes of this Section, the Funded Ratio
22 shall be the Adjusted Assets divided by the Actuarial
23 Accrued Liability developed in accordance with Statement
24 #25 promulgated by the Government Accounting Standards
25 Board and the actuarial assumptions described in the Plan.
26 The Adjusted Assets shall be calculated based on the

1 methodology described in the Plan.

2 (j) Nothing in this amendatory Act of the 95th General
3 Assembly shall impair the rights or privileges of Authority
4 employees under any other law.

5 ~~(b) Beginning January 1, 2009, the Authority shall make~~
6 ~~contributions to the retirement system in an amount which,~~
7 ~~together with the contributions of participants, interest~~
8 ~~earned on investments, and other income, will meet the cost of~~
9 ~~maintaining and administering the retirement plan in~~
10 ~~accordance with applicable actuarial recommendations and~~
11 ~~assumptions and the requirements of this Section. These~~
12 ~~contributions may be paid on a payroll or other periodic basis,~~
13 ~~but shall in any case be paid at least monthly.~~

14 ~~For retirement system fiscal years 2009 through 2058, the~~
15 ~~minimum contribution to the retirement system to be made by the~~
16 ~~Authority for each fiscal year shall be an amount determined~~
17 ~~jointly by the Authority and the trustee of the retirement~~
18 ~~system to be sufficient to bring the total assets of the~~
19 ~~retirement system up to 90% of its total actuarial liabilities~~
20 ~~by the end of fiscal year 2058. In making these determinations,~~
21 ~~the required Authority contribution shall be calculated each~~
22 ~~year as a level percentage of payroll over the years remaining~~
23 ~~to and including fiscal year 2058 and shall be determined under~~
24 ~~the projected unit credit actuarial cost method. Beginning in~~
25 ~~retirement system fiscal year 2059, the minimum Authority~~
26 ~~contribution for each fiscal year shall be the amount needed to~~

1 ~~maintain the total assets of the retirement system at 90% of~~
2 ~~the total actuarial liabilities of the system.~~

3 ~~For purposes of determining employer contributions and~~
4 ~~actuarial liabilities under this subsection, contributions and~~
5 ~~liabilities relating to health care benefits shall not be~~
6 ~~included. As used in this Section, "retirement system fiscal~~
7 ~~year" means the calendar year, or such other plan year as may~~
8 ~~be defined from time to time in the agreement known as the~~
9 ~~Retirement Plan for Chicago Transit Authority Employees, or its~~
10 ~~successor agreement.~~

11 ~~(c) The Authority and the trustee shall jointly certify to~~
12 ~~the Governor, the General Assembly, and the Board of the~~
13 ~~Regional Transportation Authority on or before November 15 of~~
14 ~~2008 and of each year thereafter the amount of the required~~
15 ~~Authority contributions to the retirement system for the next~~
16 ~~retirement system fiscal year under subsection (b). The~~
17 ~~certification shall include a copy of the actuarial~~
18 ~~recommendations upon which it is based. In addition, copies of~~
19 ~~the certification shall be sent to the Commission on Government~~
20 ~~Forecasting and Accountability, the Mayor of Chicago, the~~
21 ~~Chicago City Council, and the Cook County Board.~~

22 ~~(d) The Authority shall take all actions lawfully available~~
23 ~~to it to separate the funding of health care benefits for~~
24 ~~retirees and their dependents and survivors from the funding~~
25 ~~for its retirement system. The Authority shall endeavor to~~
26 ~~achieve this separation as soon as possible, and in any event~~

1 ~~no later than January 1, 2009.~~

2 ~~(c) This amendatory Act of the 94th General Assembly does~~
3 ~~not affect or impair the right of either the Authority or its~~
4 ~~employees to collectively bargain the amount or level of~~
5 ~~employee contributions to the retirement system.~~

6 (Source: P.A. 94-839, eff. 6-6-06.)

7 (40 ILCS 5/22-101B new)

8 Sec. 22-101B. Health Care Benefits.

9 (a) The Chicago Transit Authority (hereinafter referred to
10 in this Section as the "Authority") shall take all actions
11 lawfully available to it to separate the funding of health care
12 benefits for retirees and their dependents and survivors from
13 the funding for its retirement system. The Authority shall
14 endeavor to achieve this separation as soon as possible, and in
15 any event no later than January 1, 2009.

16 (b) Effective January 1, 2008, a Retiree Health Care Trust
17 is established for the purpose of providing health care
18 benefits to eligible retirees and their dependents and
19 survivors in accordance with the terms and conditions set forth
20 in this Section 22-101B. The Retiree Health Care Trust shall be
21 solely responsible for providing health care benefits to
22 eligible retirees and their dependents and survivors by no
23 later than January 1, 2009, but no earlier than July 1, 2008.

24 (1) The Board of Trustees shall consist of 7 members
25 appointed as follows: (i) 3 trustees shall be appointed by

1 the Chicago Transit Board; (ii) one trustee shall be
2 appointed by an organization representing the highest
3 number of Chicago Transit Authority participants; (iii)
4 one trustee shall be appointed by an organization
5 representing the second-highest number of Chicago Transit
6 Authority participants; (iv) one trustee shall be
7 appointed by the recognized coalition representatives of
8 participants who are not represented by an organization
9 with the highest or second-highest number of Chicago
10 Transit Authority participants; and (v) one trustee shall
11 be selected by the Regional Transportation Authority Board
12 of Directors, and the trustee shall be a professional
13 fiduciary who has experience in the area of collectively
14 bargained retiree health plans. Trustees shall serve until
15 a successor has been appointed and qualified, or until
16 resignation, death, incapacity, or disqualification.

17 Any person appointed as a trustee of the board shall
18 qualify by taking an oath of office that he or she will
19 diligently and honestly administer the affairs of the
20 system, and will not knowingly violate or willfully permit
21 the violation of any of the provisions of law applicable to
22 the Plan, including Sections 1-109, 1-109.1, 1-109.2,
23 1-110, 1-111, 1-114, and 1-115 of Article 1 of the Illinois
24 Pension Code.

25 Each trustee shall cast individual votes, and a
26 majority vote shall be final and binding upon all

1 interested parties, provided that the Board of Trustees may
2 require a supermajority vote with respect to the investment
3 of the assets of the Retiree Health Care Trust, and may set
4 forth that requirement in the trust agreement or by-laws of
5 the Board of Trustees. Each trustee shall have the rights,
6 privileges, authority and obligations as are usual and
7 customary for such fiduciaries.

8 (2) The Board of Trustees shall establish and
9 administer a health care benefit program for eligible
10 retirees and their dependents and survivors. The health
11 care benefit program for eligible retirees and their
12 dependents and survivors shall not contain any plan which
13 provides for more than 90% coverage for in-network services
14 or 70% coverage for out-of-network services after any
15 deductible has been paid.

16 (3) The Retiree Health Care Trust shall be administered
17 by the Board of Trustees according to the following
18 requirements:

19 (i) The Board of Trustees may cause amounts on
20 deposit in the Retiree Health Care Trust to be invested
21 in those investments that are permitted investments
22 for the investment of moneys held under any one or more
23 of the pension or retirement systems of the State, any
24 unit of local government or school district, or any
25 agency or instrumentality thereof. The Board, by a vote
26 of at least two-thirds of the trustees, may transfer

1 investment management to the Illinois State Board of
2 Investment, which is hereby authorized to manage these
3 investments when so requested by the Board of Trustees.

4 (ii) The Board of Trustees shall establish and
5 maintain an appropriate funding reserve level which
6 shall not be less than the amount of incurred and
7 unreported claims plus 12 months of expected claims and
8 administrative expenses.

9 (iii) The Board of Trustees shall make an annual
10 assessment of the funding levels of the Retiree Health
11 Care Trust and shall submit a report to the Auditor
12 General at least 90 days prior to the end of the fiscal
13 year. The report shall provide the following:

14 (A) the actuarial present value of projected
15 benefits expected to be paid to current and future
16 retirees and their dependents and survivors;

17 (B) the actuarial present value of projected
18 contributions and trust income plus assets;

19 (C) the reserve required by subsection
20 (b) (3) (ii); and

21 (D) an assessment of whether the actuarial
22 present value of projected benefits expected to be
23 paid to current and future retirees and their
24 dependents and survivors exceeds or is less than
25 the actuarial present value of projected
26 contributions and trust income plus assets in

1 excess of the reserve required by subsection
2 (b) (3) (ii).

3 If the actuarial present value of projected
4 benefits expected to be paid to current and future
5 retirees and their dependents and survivors exceeds
6 the actuarial present value of projected contributions
7 and trust income plus assets in excess of the reserve
8 required by subsection (b) (3) (ii), then the report
9 shall provide a plan of increases in employee, retiree,
10 dependent, or survivor contribution levels, decreases
11 in benefit levels, or both, which is projected to cure
12 the shortfall over a period of not more than 10 years.

13 If the actuarial present value of projected benefits
14 expected to be paid to current and future retirees and
15 their dependents and survivors is less than the
16 actuarial present value of projected contributions and
17 trust income plus assets in excess of the reserve
18 required by subsection (b) (3) (ii), then the report may
19 provide a plan of decreases in employee, retiree,
20 dependent, or survivor contribution levels, increases
21 in benefit levels, or both, to the extent of the
22 surplus.

23 (iv) The Auditor General shall review the report
24 and plan provided in subsection (b) (3) (iii) and issue a
25 determination within 90 days after receiving the
26 report and plan, with a copy of such determination

1 provided to the General Assembly and the Regional
2 Transportation Authority, as follows:

3 (A) In the event of a projected shortfall, if
4 the Auditor General determines that the
5 assumptions stated in the report are not
6 unreasonable in the aggregate and that the plan of
7 increases in employee, retiree, dependent, or
8 survivor contribution levels, decreases in benefit
9 levels, or both, is reasonably projected to cure
10 the shortfall over a period of not more than 10
11 years, then the Board of Trustees shall implement
12 the plan. If the Auditor General determines that
13 the assumptions stated in the report are
14 unreasonable in the aggregate, or that the plan of
15 increases in employee, retiree, dependent, or
16 survivor contribution levels, decreases in benefit
17 levels, or both, is not reasonably projected to
18 cure the shortfall over a period of not more than
19 10 years, then the Board of Trustees shall not
20 implement the plan, the Auditor General shall
21 explain the basis for such determination to the
22 Board of Trustees, and the Auditor General may make
23 recommendations as to an alternative report and
24 plan.

25 (B) In the event of a projected surplus, if the
26 Auditor General determines that the assumptions

1 stated in the report are not unreasonable in the
2 aggregate and that the plan of decreases in
3 employee, retiree, dependent, or survivor
4 contribution levels, increases in benefit levels,
5 or both, is not unreasonable in the aggregate, then
6 the Board of Trustees shall implement the plan. If
7 the Auditor General determines that the
8 assumptions stated in the report are unreasonable
9 in the aggregate, or that the plan of decreases in
10 employee, retiree, dependent, or survivor
11 contribution levels, increases in benefit levels,
12 or both, is unreasonable in the aggregate, then the
13 Board of Trustees shall not implement the plan, the
14 Auditor General shall explain the basis for such
15 determination to the Board of Trustees, and the
16 Auditor General may make recommendations as to an
17 alternative report and plan.

18 (C) The Board of Trustees shall submit an
19 alternative report and plan within 45 days after
20 receiving a rejection determination by the Auditor
21 General. A determination by the Auditor General on
22 any alternative report and plan submitted by the
23 Board of Trustees shall be made within 90 days
24 after receiving the alternative report and plan,
25 and shall be accepted or rejected according to the
26 requirements of this subsection (b) (3) (iv). The

1 Board of Trustees shall continue to submit
2 alternative reports and plans to the Auditor
3 General, as necessary, until a favorable
4 determination is made by the Auditor General.

5 (4) For any retiree who first retires effective January
6 1, 2008 or thereafter, to be eligible for retiree health
7 care benefits upon retirement, the retiree must be at least
8 55 years of age, retire with 10 or more years of continuous
9 service and satisfy the preconditions established by this
10 amendatory Act in addition to any rules or regulations
11 promulgated by the Board of Trustees. This paragraph (4)
12 shall not apply to a disability allowance.

13 (5) Effective July 1, 2008, the aggregate amount of
14 retiree, dependent and survivor contributions to the cost
15 of their health care benefits shall not exceed more than
16 45% of the total cost of such benefits. The Board of
17 Trustees shall have the discretion to provide different
18 contribution levels for retirees, dependents and survivors
19 based on their years of service, level of coverage or
20 Medicare eligibility, provided that the total contribution
21 from all retirees, dependents, and survivors shall be not
22 more than 45% of the total cost of such benefits. The term
23 "total cost of such benefits" for purposes of this
24 subsection shall be the total amount expended by the
25 retiree health benefit program in the prior plan year, as
26 calculated and certified in writing by the Retiree Health

1 Care Trust's enrolled actuary to be appointed and paid for
2 by the Board of Trustees.

3 (6) Effective January 1, 2008, all employees of the
4 Authority shall contribute to the Retiree Health Care Trust
5 in an amount not less than 3% of compensation.

6 (7) No earlier than July 1, 2008 and no later than
7 January 1, 2009 as the Retiree Health Care Trust becomes
8 solely responsible for providing health care benefits to
9 eligible retirees and their dependents and survivors in
10 accordance with subsection (b) of this Section 22-101B, the
11 Authority shall not have any obligation to provide health
12 care to current or future retirees and their dependents or
13 survivors. The Authority, its employees, and the retirees,
14 dependents and survivors who are required to make
15 contributions to the Retiree Health Care Trust shall make
16 contributions at the level set by the Board of Trustees
17 pursuant to the requirements of this Section 22-101B.

18 Section 10. The Illinois Municipal Code is amended by
19 changing Section 8-3-19 as follows:

20 (65 ILCS 5/8-3-19)

21 Sec. 8-3-19. Home rule real estate transfer taxes.

22 (a) After the effective date of this amendatory Act of the
23 93rd General Assembly and subject to this Section, a home rule
24 municipality may impose or increase a tax or other fee on the

1 privilege of transferring title to real estate, on the
2 privilege of transferring a beneficial interest in real
3 property, and on the privilege of transferring a controlling
4 interest in a real estate entity, as the terms "beneficial
5 interest", "controlling interest", and "real estate entity"
6 are defined in Article 31 of the Property Tax Code. Such a tax
7 or other fee shall hereafter be referred to as a real estate
8 transfer tax.

9 (b) Before adopting a resolution to submit the question of
10 imposing or increasing a real estate transfer tax to
11 referendum, the corporate authorities shall give public notice
12 of and hold a public hearing on the intent to submit the
13 question to referendum. This hearing may be part of a regularly
14 scheduled meeting of the corporate authorities. The notice
15 shall be published not more than 30 nor less than 10 days prior
16 to the hearing in a newspaper of general circulation within the
17 municipality. The notice shall be published in the following
18 form:

19 Notice of Proposed (Increased) Real Estate Transfer
20 Tax for (commonly known name of municipality).

21 A public hearing on a resolution to submit to
22 referendum the question of a proposed (increased) real
23 estate transfer tax for (legal name of the municipality) in
24 an amount of (rate) to be paid by the buyer (seller) of the
25 real estate transferred will be held on (date) at (time) at
26 (location). The current rate of real estate transfer tax

1 imposed by (name of municipality) is (rate).

2 Any person desiring to appear at the public hearing and
3 present testimony to the taxing district may do so.

4 (c) A notice that includes any information not specified
5 and required by this Section is an invalid notice. All hearings
6 shall be open to the public. At the public hearing, the
7 corporate authorities of the municipality shall explain the
8 reasons for the proposed or increased real estate transfer tax
9 and shall permit persons desiring to be heard an opportunity to
10 present testimony within reasonable time limits determined by
11 the corporate authorities. A copy of the proposed ordinance
12 shall be made available to the general public for inspection
13 before the public hearing.

14 (d) Except as provided in subsection (i), no ~~no~~ home rule
15 municipality shall impose a new real estate transfer tax after
16 the effective date of this amendatory Act of 1996 without prior
17 approval by referendum. Except as provided in subsection (i),
18 no ~~no~~ home rule municipality shall impose an increase of the
19 rate of a current real estate transfer tax without prior
20 approval by referendum. A home rule municipality may impose a
21 new real estate transfer tax or may increase an existing real
22 estate transfer tax with prior referendum approval. The
23 referendum shall be conducted as provided in subsection (e). An
24 existing ordinance or resolution imposing a real estate
25 transfer tax may be amended without approval by referendum if
26 the amendment does not increase the rate of the tax or add

1 transactions on which the tax is imposed.

2 (e) The home rule municipality shall, by resolution,
3 provide for submission of the proposition to the voters. The
4 home rule municipality shall certify the resolution and the
5 proposition to the proper election officials in accordance with
6 the general election law. If the proposition is to impose a new
7 real estate transfer tax, it shall be in substantially the
8 following form: "Shall (name of municipality) impose a real
9 estate transfer tax at a rate of (rate) to be paid by the buyer
10 (seller) of the real estate transferred, with the revenue of
11 the proposed transfer tax to be used for (purpose)?" If the
12 proposition is to increase an existing real estate transfer
13 tax, it shall be in the following form: "Shall (name of
14 municipality) impose a real estate transfer tax increase of
15 (percent increase) to establish a new transfer tax rate of
16 (rate) to be paid by the buyer (seller) of the real estate
17 transferred? The current rate of the real estate transfer tax
18 is (rate), and the revenue is used for (purpose). The revenue
19 from the increase is to be used for (purpose).".

20 If a majority of the electors voting on the proposition
21 vote in favor of it, the municipality may impose or increase
22 the municipal real estate transfer tax or fee.

23 (f) Nothing in this amendatory Act of 1996 shall limit the
24 purposes for which real estate transfer tax revenues may be
25 collected or expended.

26 (g) A home rule municipality may not impose real estate

1 transfer taxes other than as authorized by this Section. This
2 Section is a denial and limitation of home rule powers and
3 functions under subsection (g) of Section 6 of Article VII of
4 the Illinois Constitution.

5 (h) Notwithstanding subsection (g) of this Section, any
6 real estate transfer taxes adopted by a municipality at any
7 time prior to January 17, 1997 (the effective date of Public
8 Act 89-701) and any amendments to any existing real estate
9 transfer tax ordinance adopted after that date, in accordance
10 with the law in effect at the time of the adoption of the
11 amendments, are not preempted by this amendatory Act of the
12 93rd General Assembly.

13 (i) Within 6 months after the effective date of this
14 amendatory Act of the 95th General Assembly, by ordinance
15 adopted without a referendum, a home rule municipality with a
16 population in excess of 1,000,000 may increase the rate of an
17 existing real estate transfer tax by a rate of up to \$1.50 for
18 each \$500 of value or fraction thereof, or in the alternative
19 may impose a real estate transfer tax at a rate of up to \$1.50
20 for each \$500 of value or fraction thereof, which may be on the
21 buyer or seller of real estate, or jointly and severally on
22 both, for the sole purpose of providing financial assistance to
23 the Chicago Transit Authority. All amounts collected under such
24 supplemental tax, after fees for costs of collection, shall be
25 provided to the Chicago Transit Authority pursuant to an
26 intergovernmental agreement as promptly as practicable upon

1 their receipt for disbursement pursuant to Section 12d of the
2 Metropolitan Transit Authority Act. Such municipality shall
3 file a copy of any ordinance imposing or increasing such tax
4 with the Illinois Department of Revenue and shall file a report
5 with the Department each month certifying the amount paid to
6 the Chicago Transit Authority in the previous month from the
7 proceeds of such tax.

8 (Source: P.A. 93-657, eff. 6-1-04.)

9 Section 15. The Metropolitan Transit Authority Act is
10 amended by changing Sections 15, 28a, 34, and 46 and by adding
11 Sections 12c, 12d, and 50 as follows:

12 (70 ILCS 3605/12c new)

13 Sec. 12c. Retiree Benefits Bonds and Notes.

14 (a) In addition to all other bonds or notes that it is
15 authorized to issue, the Authority is authorized to issue its
16 bonds or notes for the purposes of providing funds for the
17 Authority to make the deposits described in Section 12c(b)(1)
18 and (2), for refunding any bonds authorized to be issued under
19 this Section, as well as for the purposes of paying costs of
20 issuance, obtaining bond insurance or other credit enhancement
21 or liquidity facilities, paying costs of obtaining related
22 swaps as authorized in the Bond Authorization Act ("Swaps"),
23 providing a debt service reserve fund, paying Debt Service (as
24 defined in paragraph (i) of this Section 12c), and paying all

1 other costs related to any such bonds or notes.

2 (b) (1) After its receipt of a certified copy of a report of
3 the Auditor General of the State of Illinois meeting the
4 requirements of Section 3-2.3 of the Illinois State Auditing
5 Act, the Authority may issue \$1,227,000,000 aggregate original
6 principal amount of bonds and notes. After payment of the costs
7 of issuance and necessary deposits to funds and accounts
8 established with respect to debt service, the net proceeds of
9 such bonds or notes shall be deposited only in the Retirement
10 Plan for Chicago Transit Authority Employees and used only for
11 the purposes required by Section 22-101 of the Illinois Pension
12 Code. Provided that no less than \$1,000,000,000 has been
13 deposited in the Retirement Plan, remaining proceeds of bonds
14 issued under this subparagraph (b) (1) may be used to pay costs
15 of issuance and make necessary deposits to funds and accounts
16 with respect to debt service for bonds and notes issued under
17 this subparagraph or subparagraph (b) (2).

18 (2) After its receipt of a certified copy of a report of
19 the Auditor General of the State of Illinois meeting the
20 requirements of Section 3-2.3 of the Illinois State Auditing
21 Act, the Authority may issue \$553,000,000 aggregate original
22 principal amount of bonds and notes. After payment of the costs
23 of issuance and necessary deposits to funds and accounts
24 established with respect to debt service, the net proceeds of
25 such bonds or notes shall be deposited only in the Retiree
26 Health Care Trust and used only for the purposes required by

1 Section 22-101B of the Illinois Pension Code. Provided that no
2 less than \$450,000,000 has been deposited in the Retiree Health
3 Care Trust, remaining proceeds of bonds issued under this
4 subparagraph (b) (2) may be used to pay costs of issuance and
5 make necessary deposits to funds and accounts with respect to
6 debt service for bonds and notes issued under this subparagraph
7 or subparagraph (b) (1).

8 (3) In addition, refunding bonds are authorized to be
9 issued for the purpose of refunding outstanding bonds or notes
10 issued under this Section 12c.

11 (4) The bonds or notes issued under 12c(b) (1) shall be
12 issued as soon as practicable after the Auditor General issues
13 the report provided in Section 3-2.3(b) of the Illinois State
14 Auditing Act. The bonds or notes issued under 12c(b) (2) shall
15 be issued as soon as practicable after the Auditor General
16 issues the report provided in Section 3-2.3(c) of the Illinois
17 State Auditing Act.

18 (5) With respect to bonds and notes issued under
19 subparagraph (b), scheduled aggregate annual payments of
20 interest or deposits into funds and accounts established for
21 the purpose of such payment shall commence within one year
22 after the bonds and notes are issued. With respect to principal
23 and interest, scheduled aggregate annual payments of principal
24 and interest or deposits into funds and accounts established
25 for the purpose of such payment shall be not less than 70% in
26 2009, 80% in 2010, and 90% in 2011, respectively, of scheduled

1 payments or deposits of principal and interest in 2012 and
2 shall be substantially equal beginning in 2012 and each year
3 thereafter. For purposes of this subparagraph (b),
4 "substantially equal" means that debt service in any full year
5 after calendar year 2011 is not more than 115% of debt service
6 in any other full year after calendar year 2011 during the term
7 of the bonds or notes. For the purposes of this subsection (b),
8 with respect to bonds and notes that bear interest at a
9 variable rate, interest shall be assumed at a rate equal to the
10 rate for United States Treasury Securities - State and Local
11 Government Series for the same maturity, plus 75 basis points.
12 If the Authority enters into a Swap with a counterparty
13 requiring the Authority to pay a fixed interest rate on a
14 notional amount, and the Authority has made a determination
15 that such Swap was entered into for the purpose of providing
16 substitute interest payments for variable interest rate bonds
17 or notes of a particular maturity or maturities in a principal
18 amount equal to the notional amount of the Swap, then during
19 the term of the Swap for purposes of any calculation of
20 interest payable on such bonds or notes, the interest rate on
21 the bonds or notes of such maturity or maturities shall be
22 determined as if such bonds or notes bore interest at the fixed
23 interest rate payable by the Authority under such Swap.

24 (6) No bond or note issued under this Section 12c shall
25 mature later than December 31, 2039.

26 (7) At least 25%, based on total principal amount, of all

1 bonds issued pursuant to this Section 12c shall be sold
2 pursuant to notice of sale and public bid. No more than 75%,
3 based on total principal amount, of all bonds issued pursuant
4 to this Section 12c shall be sold by negotiated sale.

5 (c) The Chicago Transit Board shall provide for the
6 issuance of bonds or notes as authorized in this Section 12c by
7 the adoption of an ordinance. The ordinance, together with the
8 bonds or notes, shall constitute a contract among the
9 Authority, the owners from time to time of the bonds or notes,
10 any bond trustee with respect to the bonds or notes, any
11 related credit enhancer and any provider of any related Swaps.

12 (d) The Authority is authorized to cause the proceeds of
13 the bonds or notes, and any interest or investment earnings on
14 the bonds or notes, and of any Swaps, to be invested until the
15 proceeds and any interest or investment earnings have been
16 deposited with the Retirement Plan or the Retiree Health Care
17 Trust.

18 (e) Bonds or notes issued pursuant to this Section 12c may
19 be general obligations of the Authority, to which shall be
20 pledged the full faith and credit of the Authority, or may be
21 obligations payable solely from particular sources of funds all
22 as may be provided in the authorizing ordinance. The
23 authorizing ordinance for the bonds and notes, whether or not
24 general obligations of the Authority, may provide for the Debt
25 Service (as defined in paragraph (i) of this Section 12c) to
26 have a claim for payment from particular sources of funds,

1 including, without limitation, amounts to be paid to the
2 Authority or a bond trustee. The authorizing ordinance may
3 provide for the means by which the bonds or notes (and any
4 related Swaps) may be secured, which may include, a pledge of
5 any revenues or funds of the Authority from whatever source
6 which may by law be utilized for paying Debt Service. In
7 addition to any other security, upon the written approval of
8 the Regional Transportation Authority by the affirmative vote
9 of 12 of its then Directors, the ordinance shall provide a
10 specific pledge or assignment of and lien on or security
11 interest in amounts to be paid to the Authority by the Regional
12 Transportation Authority from the proceeds of any tax levied by
13 the Regional Transportation Authority under Section 4.03 of the
14 Regional Transportation Authority Act and direct payment
15 thereof to the bond trustee for payment of Debt Service with
16 respect to the bonds or notes, subject to the provisions of
17 existing lease agreements of the Authority with any public
18 building commission. The authorizing ordinance may also
19 provide a specific pledge or assignment of and lien on or
20 security interest in and direct payment to the trustee of all
21 or a portion of the moneys otherwise payable to the Authority
22 from the City of Chicago pursuant to an intergovernmental
23 agreement with the Authority to provide financial assistance to
24 the Authority. Any such pledge, assignment, lien or security
25 interest for the benefit of owners of bonds or notes shall be
26 valid and binding from the time the bonds or notes are issued,

1 without any physical delivery or further act, and shall be
2 valid and binding as against and prior to the claims of all
3 other parties having claims of any kind against the Authority
4 or any other person, irrespective of whether such other parties
5 have notice of such pledge, assignment, lien or security
6 interest, all as provided in the Local Government Debt Reform
7 Act, as it may be amended from time to time. The bonds or notes
8 of the Authority issued pursuant to this Section 12c shall have
9 such priority of payment and as to their claim for payment from
10 particular sources of funds, including their priority with
11 respect to obligations of the Authority issued under other
12 Sections of this Act, all as shall be provided in the
13 ordinances authorizing the issuance of the bonds or notes. The
14 ordinance authorizing the issuance of any bonds or notes under
15 this Section may provide for the creation of, deposits in, and
16 regulation and disposition of sinking fund or reserve accounts
17 relating to those bonds or notes and related agreements. The
18 ordinance authorizing the issuance of any such bonds or notes
19 authorized under this Section 12c may contain provisions for
20 the creation of a separate fund to provide for the payment of
21 principal of and interest on those bonds or notes and related
22 agreements. The ordinance may also provide limitations on the
23 issuance of additional bonds or notes of the Authority.

24 (f) Bonds or notes issued under this Section 12c shall not
25 constitute an indebtedness of the Regional Transportation
26 Authority, the State of Illinois, or of any other political

1 subdivision of or municipality within the State, except the
2 Authority.

3 (g) The ordinance of the Chicago Transit Board authorizing
4 the issuance of bonds or notes pursuant to this Section 12c may
5 provide for the appointment of a corporate trustee (which may
6 be any trust company or bank having the powers of a trust
7 company within Illinois) with respect to bonds or notes issued
8 pursuant to this Section 12c. The ordinance shall prescribe the
9 rights, duties, and powers of the trustee to be exercised for
10 the benefit of the Authority and the protection of the owners
11 of bonds or notes issued pursuant to this Section 12c. The
12 ordinance may provide for the trustee to hold in trust, invest
13 and use amounts in funds and accounts created as provided by
14 the ordinance with respect to the bonds or notes in accordance
15 with this Section 12c. The Authority may apply, as it shall
16 determine, any amounts received upon the sale of the bonds or
17 notes to pay any Debt Service on the bonds or notes. The
18 ordinance may provide for a trust indenture to set forth terms
19 of, sources of payment for and security for the bonds and
20 notes.

21 (h) The State of Illinois pledges to and agrees with the
22 owners of the bonds or notes issued pursuant to Section 12c
23 that the State of Illinois will not limit the powers vested in
24 the Authority by this Act to pledge and assign its revenues and
25 funds as security for the payment of the bonds or notes, or
26 vested in the Regional Transportation Authority by the Regional

1 Transportation Authority Act or this Act, so as to materially
2 impair the payment obligations of the Authority under the terms
3 of any contract made by the Authority with those owners or to
4 materially impair the rights and remedies of those owners until
5 those bonds or notes, together with interest and any redemption
6 premium, and all costs and expenses in connection with any
7 action or proceedings by or on behalf of such owners are fully
8 met and discharged. The Authority is authorized to include
9 these pledges and agreements of the State of Illinois in any
10 contract with owners of bonds or notes issued pursuant to this
11 Section 12c.

12 (i) For purposes of this Section, "Debt Service" with
13 respect to bonds or notes includes, without limitation,
14 principal (at maturity or upon mandatory redemption),
15 redemption premium, interest, periodic, upfront, and
16 termination payments on Swaps, fees for bond insurance or other
17 credit enhancement, liquidity facilities, the funding of bond
18 or note reserves, bond trustee fees, and all other costs of
19 providing for the security or payment of the bonds or notes.

20 (j) The Authority shall adopt a procurement program with
21 respect to contracts relating to the following service
22 providers in connection with the issuance of debt for the
23 benefit of the Retirement Plan for Chicago Transit Authority
24 Employees: underwriters, bond counsel, financial advisors, and
25 accountants. The program shall include goals for the payment of
26 not less than 30% of the total dollar value of the fees from

1 these contracts to minority owned businesses and female owned
2 businesses as defined in the Business Enterprise for
3 Minorities, Females, and Persons with Disabilities Act. The
4 Authority shall conduct outreach to minority owned businesses
5 and female owned businesses. Outreach shall include, but is not
6 limited to, advertisements in periodicals and newspapers,
7 mailings, and other appropriate media. The Authority shall
8 submit to the General Assembly a comprehensive report that
9 shall include, at a minimum, the details of the procurement
10 plan, outreach efforts, and the results of the efforts to
11 achieve goals for the payment of fees. The service providers
12 selected by the Authority pursuant to such program shall not be
13 subject to approval by the Regional Transportation Authority,
14 and the Regional Transportation Authority's approval pursuant
15 to subsection (e) of this Section 12c related to the issuance
16 of debt shall not be based in any way on the service providers
17 selected by the Authority pursuant to this Section.

18 (k) No person holding an elective office in this State,
19 holding a seat in the General Assembly, serving as a director,
20 trustee, officer, or employee of the Regional Transportation
21 Authority or the Chicago Transit Authority, including the
22 spouse or minor child of that person, may receive a legal,
23 banking, consulting, or other fee related to the issuance of
24 any bond issued by the Chicago Transit Authority pursuant to
25 this Section.

1 (70 ILCS 3605/12d new)

2 Sec. 12d. Transit proceeds; disbursement.

3 (a) For the purposes of this Section, "transit assistance
4 proceeds" means: (i) if a Chicago Casino Development Authority
5 is created by the 95th General Assembly, the first \$100,000,000
6 in net profits from the Chicago Casino Development Authority,
7 and (ii) proceeds from a supplemental real estate transfer tax
8 authorized by paragraph (i) of Section 8-3-19 of the Illinois
9 Municipal Code.

10 (b) The Chicago Transit Authority shall disburse the
11 transit assistance proceeds as follows:

12 (1) The first \$100,000,000 shall be used to repay its
13 bond obligations under Section 12c of this Act; and

14 (2) The remainder shall be paid to the City of Chicago,
15 pursuant to an intergovernmental agreement, for the
16 purpose of abating the real estate transfer tax authorized
17 by paragraph (i) of Section 8-3-19 of the Municipal Code.

18 (70 ILCS 3605/15) (from Ch. 111 2/3, par. 315)

19 Sec. 15. The Authority shall have power to apply for and
20 accept grants and loans from the Federal Government or any
21 agency or instrumentality thereof, from the State, or from any
22 county, municipal corporation or other political subdivision
23 of the State to be used for any of the purposes of the
24 Authority, including, but not by way of limitation, grants and
25 loans in aid of mass transportation and for studies in mass

1 transportation, and may provide matching funds when necessary
2 to qualify for such grants or loans. The Authority may enter
3 into any agreement with the Federal Government, the State, and
4 any county, municipal corporation or other political
5 subdivision of the State in relation to such grants or loans;
6 provided that such agreement does not conflict with any of the
7 provisions of any trust agreement securing the payment of bonds
8 or certificates of the Authority.

9 The Authority may also accept from the state, or from any
10 county or other political subdivision, or from any municipal
11 corporation, or school district, or school authorities, grants
12 or other funds authorized by law to be paid to the Authority
13 for any of the purposes of this Act.

14 (Source: Laws 1961, p. 3135.)

15 (70 ILCS 3605/28a) (from Ch. 111 2/3, par. 328a)

16 Sec. 28a. (a) The Board may deal with and enter into
17 written contracts with the employees of the Authority through
18 accredited representatives of such employees or
19 representatives of any labor organization authorized to act for
20 such employees, concerning wages, salaries, hours, working
21 conditions and pension or retirement provisions; provided,
22 nothing herein shall be construed to permit hours of labor in
23 excess of those provided by law or to permit working conditions
24 prohibited by law. In case of dispute over wages, salaries,
25 hours, working conditions, or pension or retirement provisions

1 the Board may arbitrate any question or questions and may agree
2 with such accredited representatives or labor organization
3 that the decision of a majority of any arbitration board shall
4 be final, provided each party shall agree in advance to pay
5 half of the expense of such arbitration.

6 No contract or agreement shall be made with any labor
7 organization, association, group or individual for the
8 employment of members of such organization, association, group
9 or individual for the construction, improvement, maintenance,
10 operation or administration of any property, plant or
11 facilities under the jurisdiction of the Authority, where such
12 organization, association, group or individual denies on the
13 ground of race, creed, color, sex, religion, physical or mental
14 handicap unrelated to ability, or national origin membership
15 and equal opportunities for employment to any citizen of
16 Illinois.

17 (b)(1) The provisions of this paragraph (b) apply to
18 collective bargaining agreements (including extensions and
19 amendments of existing agreements) entered into on or after
20 January 1, 1984.

21 (2) The Board shall deal with and enter into written
22 contracts with their employees, through accredited
23 representatives of such employees authorized to act for such
24 employees concerning wages, salaries, hours, working
25 conditions, and pension or retirement provisions about which a
26 collective bargaining agreement has been entered prior to the

1 effective date of this amendatory Act of 1983. Any such
2 agreement of the Authority shall provide that the agreement may
3 be reopened if the amended budget submitted pursuant to Section
4 2.18a of the Regional Transportation Authority Act is not
5 approved by the Board of the Regional Transportation Authority.
6 The agreement may not include a provision requiring the payment
7 of wage increases based on changes in the Consumer Price Index.
8 The Board shall not have the authority to enter into collective
9 bargaining agreements with respect to inherent management
10 rights, which include such areas of discretion or policy as the
11 functions of the employer, standards of services, its overall
12 budget, the organizational structure and selection of new
13 employees and direction of personnel. Employers, however,
14 shall be required to bargain collectively with regard to policy
15 matters directly affecting wages, hours and terms and
16 conditions of employment, as well as the impact thereon upon
17 request by employee representatives. To preserve the rights of
18 employers and exclusive representatives which have established
19 collective bargaining relationships or negotiated collective
20 bargaining agreements prior to the effective date of this
21 amendatory Act of 1983, employers shall be required to bargain
22 collectively with regard to any matter concerning wages, hours
23 or conditions of employment about which they have bargained
24 prior to the effective date of this amendatory Act of 1983.

25 (3) The collective bargaining agreement may not include a
26 prohibition on the use of part-time operators on any service

1 operated by or funded by the Board, except where prohibited by
2 federal law.

3 (4) Within 30 days of the signing of any such collective
4 bargaining agreement, the Board shall determine the costs of
5 each provision of the agreement, prepare an amended budget
6 incorporating the costs of the agreement, and present the
7 amended budget to the Board of the Regional Transportation
8 Authority for its approval under Section 4.11 of the Regional
9 Transportation Act. The Board of the Regional Transportation
10 Authority may approve the amended budget by an affirmative vote
11 of 12 ~~two-thirds~~ of its then Directors. If the budget is not
12 approved by the Board of the Regional Transportation Authority,
13 the agreement may be reopened and its terms may be
14 renegotiated. Any amended budget which may be prepared
15 following renegotiation shall be presented to the Board of the
16 Regional Transportation Authority for its approval in like
17 manner.

18 (Source: P.A. 83-886.)

19 (70 ILCS 3605/34) (from Ch. 111 2/3, par. 334)

20 Sec. 34. Budget and Program. The Authority, subject to the
21 powers of the Regional Transportation Authority in Section 4.11
22 of the Regional Transportation Authority Act, shall control the
23 finances of the Authority. It shall by ordinance appropriate
24 money to perform the Authority's purposes and provide for
25 payment of debts and expenses of the Authority. Each year the

1 Authority shall prepare and publish a comprehensive annual
2 budget and five-year capital program document, and a financial
3 plan for the 2 years thereafter describing the state of the
4 Authority and presenting for the forthcoming fiscal year and
5 the two following years the Authority's plans for such
6 operations and capital expenditures as it intends to undertake
7 and the means by which it intends to finance them. The proposed
8 budget, ~~and financial plan,~~ and five-year capital program shall
9 be based on the Regional Transportation Authority's estimate of
10 funds to be made available to the Authority by or through the
11 Regional Transportation Authority and shall conform in all
12 respects to the requirements established by the Regional
13 Transportation Authority. The proposed ~~program and~~ budget, and
14 financial plan, and five-year capital program shall contain a
15 statement of the funds estimated to be on hand at the beginning
16 of the fiscal year, the funds estimated to be received from all
17 sources for such year and the funds estimated to be on hand at
18 the end of such year. ~~After adoption of the Regional~~
19 ~~Transportation Authority's first Five Year Program, as~~
20 ~~provided in Section 2.01 of the Regional Transportation~~
21 ~~Authority Act, the proposed program and budget shall~~
22 ~~specifically identify any respect in which the recommended~~
23 ~~program deviates from the Regional Transportation Authority's~~
24 ~~then existing Five Year Program, giving the reasons for such~~
25 ~~deviation.~~ The proposed ~~program and~~ budget, financial plan, and
26 five-year capital program shall be available at no cost for

1 public inspection at the Authority's main office and at the
2 Regional Transportation Authority's main office at least 3
3 weeks prior to any public hearing. Before the proposed budget,
4 ~~and program and financial plan,~~ and five-year capital program
5 are submitted to the Regional Transportation Authority, the
6 Authority shall hold at least one public hearing thereon in
7 each of the counties in which the Authority provides service.
8 All Board members of the Authority shall attend a majority of
9 the public hearings unless reasonable cause is given for their
10 absence. After the public hearings, the Board of the Authority
11 shall hold at least one meeting for consideration of the
12 proposed program and budget with the Cook County Board. After
13 conducting such hearings and holding such meetings and after
14 making such changes in the proposed ~~program and~~ budget,
15 financial plan, and five-year capital program as the Board
16 deems appropriate, it shall adopt an annual budget ordinance at
17 least by November 15th preceding the beginning of each fiscal
18 year. The budget, ~~and program, and~~ financial plan, and
19 five-year capital program shall then be submitted to the
20 Regional Transportation Authority as provided in Section 4.11
21 of the Regional Transportation Authority Act. In the event that
22 the Board of the Regional Transportation Authority determines
23 that the budget, ~~and program, and~~ financial plan, and five-year
24 capital program do not meet the standards of said Section 4.11,
25 the Board of the Authority shall make such changes as are
26 necessary to meet such requirements and adopt an amended budget

1 ordinance. The amended budget ordinance shall be resubmitted to
2 the Regional Transportation Authority pursuant to said Section
3 4.11. The ordinance shall appropriate such sums of money as are
4 deemed necessary to defray all necessary expenses and
5 obligations of the Authority, specifying purposes and the
6 objects or programs for which appropriations are made and the
7 amount appropriated for each object or program. Additional
8 appropriations, transfers between items and other changes in
9 such ordinance which do not alter the basis upon which the
10 balanced budget determination was made by the Regional
11 Transportation Authority may be made from time to time by the
12 Board.

13 The budget shall:

14 (i) show a balance between (A) anticipated revenues
15 from all sources including operating subsidies and (B) the
16 costs of providing the services specified and of funding
17 any operating deficits or encumbrances incurred in prior
18 periods, including provision for payment when due of
19 principal and interest on outstanding indebtedness;

20 (ii) show cash balances including the proceeds of any
21 anticipated cash flow borrowing sufficient to pay with
22 reasonable promptness all costs and expenses as incurred;

23 (iii) provide for a level of fares or charges and
24 operating or administrative costs for the public
25 transportation provided by or subject to the jurisdiction
26 of the Board sufficient to allow the Board to meet its

1 required system generated revenue recovery ratio as
2 determined in accordance with subsection (a) of Section
3 4.11 of the Regional Transportation Authority Act;

4 (iv) be based upon and employ assumptions and
5 projections which are reasonable and prudent;

6 (v) have been prepared in accordance with sound
7 financial practices as determined by the Board of the
8 Regional Transportation Authority; ~~and~~

9 (vi) meet such other financial, budgetary, or fiscal
10 requirements that the Board of the Regional Transportation
11 Authority may by rule or regulation establish; and -

12 (vii) be consistent with the goals and objectives
13 adopted by the Regional Transportation Authority in the
14 Strategic Plan.

15 The Board shall establish a fiscal operating year. At least
16 thirty days prior to the beginning of the first full fiscal
17 year after the creation of the Authority, and annually
18 thereafter, the Board shall cause to be prepared a tentative
19 budget which shall include all operation and maintenance
20 expense for the ensuing fiscal year. The tentative budget shall
21 be considered by the Board and, subject to any revision and
22 amendments as may be determined, shall be adopted prior to the
23 first day of the ensuing fiscal year as the budget for that
24 year. No expenditures for operations and maintenance in excess
25 of the budget shall be made during any fiscal year except by
26 the affirmative vote of at least five members of the Board. It

1 shall not be necessary to include in the annual budget any
2 statement of necessary expenditures for pensions or retirement
3 annuities, or for interest or principal payments on bonds or
4 certificates, or for capital outlays, but it shall be the duty
5 of the Board to make provision for payment of same from
6 appropriate funds. The Board may not alter its fiscal year
7 without the prior approval of the Board of the Regional
8 Transportation Authority.

9 (Source: P.A. 87-1249.)

10 (70 ILCS 3605/46) (from Ch. 111 2/3, par. 346)

11 Sec. 46. Citizens Advisory Board. The Board shall establish
12 a citizens advisory board composed of 11 residents of those
13 portions of the metropolitan region in which the Authority
14 provides service who have an interest in public transportation,
15 one of whom shall be at least 65 years of age. The members of
16 the advisory board shall be named for 2 year terms, shall
17 select one of their members to serve as chairman and shall
18 serve without compensation. The citizens advisory board shall
19 meet with Board at least quarterly and advise the Board of the
20 impact of its policies and programs on the communities it
21 serves. Appointments to the citizens advisory board should, to
22 the greatest extent possible, reflect the ethnic, cultural, and
23 geographic diversity of all persons residing within the
24 metropolitan region in which the Authority provides service.

25 (Source: P.A. 87-226.)

1 (70 ILCS 3605/50 new)

2 Sec. 50. Disadvantaged Business Enterprise Contracting and
3 Equal Employment Opportunity Programs. The Authority shall, as
4 soon as is practicable but in no event later than two years
5 after the effective date of this amendatory Act of the 95th
6 General Assembly, establish and maintain a disadvantaged
7 business enterprise contracting program designed to ensure
8 non-discrimination in the award and administration of
9 contracts not covered under a federally mandated disadvantaged
10 business enterprise program. The program shall establish
11 narrowly tailored goals for the participation of disadvantaged
12 business enterprises as the Authority determines appropriate.
13 The goals shall be based on demonstrable evidence of the
14 availability of ready, willing, and able disadvantaged
15 business enterprises relative to all businesses ready,
16 willing, and able to participate on the program's contracts.
17 The program shall require the Authority to monitor the progress
18 of the contractors' obligations with respect to the program's
19 goals. Nothing in this program shall conflict with or interfere
20 with the maintenance or operation of, or compliance with, any
21 federally mandated disadvantaged business enterprise program.

22 The Authority shall establish and maintain a program
23 designed to promote equal employment opportunity. Each year, no
24 later than October 1, the Authority shall report to the General
25 Assembly on the number of employees of the Authority and the

1 number of employees who have designated themselves as members
2 of a minority group and gender.

3 Each year no later than October 1, and starting no later
4 than the October 1 after the establishment of the disadvantaged
5 business enterprise contracting program, the Authority shall
6 submit a report with respect to such program to the General
7 Assembly. In addition, no later than October 1 of each year,
8 the Authority shall submit a copy of its federally mandated
9 semi-annual Uniform Report of Disadvantaged Business
10 Enterprises Awards or Commitments and Payments to the General
11 Assembly.

12 Section 20. The Regional Transportation Authority Act is
13 amended by changing Sections 1.02, 2.01, 2.04, 2.05, 2.09,
14 2.12, 2.14, 2.18a, 2.30, 3.01, 3.03, 3.05, 3A.10, 3A.11, 3A.14,
15 3B.02, 3B.03, 3B.05, 3B.07, 3B.09, 3B.10, 3B.11, 3B.12, 3B.13,
16 4.01, 4.02, 4.02a, 4.02b, 4.03, 4.04, 4.09, 4.11, 4.13, 4.14,
17 and 5.01 and by adding Section 2.01a, 2.01b, 2.01c, 2.01d,
18 2.01e, 2.12b, and 2.31 as follows:

19 (70 ILCS 3615/1.02) (from Ch. 111 2/3, par. 701.02)

20 Sec. 1.02. Findings and Purpose. (a) The General Assembly
21 finds;

22 (i) Public transportation is, as provided in Section 7 of
23 Article XIII of the Illinois Constitution, an essential public
24 purpose for which public funds may be expended and that Section

1 authorizes the State to provide financial assistance to units
2 of local government for distribution to providers of public
3 transportation. There is an urgent need to reform and continue
4 a unit of local government to assure the proper management of
5 public transportation and to receive and distribute State or
6 federal operating assistance and to raise and distribute
7 revenues for local operating assistance. System generated
8 revenues are not adequate for such service and a public need
9 exists to provide for, aid and assist public transportation in
10 the northeastern area of the State, consisting of Cook, DuPage,
11 Kane, Lake, McHenry and Will Counties.

12 (ii) Comprehensive and coordinated regional public
13 transportation is essential to the public health, safety and
14 welfare. It is essential to economic well-being, maintenance of
15 full employment, conservation of sources of energy and land for
16 open space and reduction of traffic congestion and for
17 providing and maintaining a healthful environment for the
18 benefit of present and future generations in the metropolitan
19 region. Public transportation improves the mobility of the
20 public and improves access to jobs, commercial facilities,
21 schools and cultural attractions. Public transportation
22 decreases air pollution and other environmental hazards
23 resulting from excessive use of automobiles and allows for more
24 efficient land use and planning.

25 (iii) Because system generated receipts are not presently
26 adequate, public transportation facilities and services in the

1 northeastern area are in grave financial condition. With
2 existing methods of financing, coordination and management,
3 and relative convenience of automobiles, such public
4 transportation facilities are not providing adequate public
5 transportation to insure the public health, safety and welfare.

6 (iv) Additional commitments to the ~~special~~ public
7 transportation needs ~~problems~~ of the disabled ~~handicapped~~, the
8 economically disadvantaged, and the elderly are necessary.

9 (v) To solve these problems, it is necessary to provide for
10 the creation of a regional transportation authority with the
11 powers necessary to insure adequate public transportation.

12 (b) The General Assembly further finds, in connection with
13 this amendatory Act of 1983:

14 (i) Substantial, recurring deficits in the operations of
15 public transportation services subject to the jurisdiction of
16 the Regional Transportation Authority and periodic cash
17 shortages have occurred either of which could bring about a
18 loss of public transportation services throughout the
19 metropolitan region at any time;

20 (ii) A substantial or total loss of public transportation
21 services or any segment thereof would create an emergency
22 threatening the safety and well-being of the people in the
23 northeastern area of the State; and

24 (iii) To meet the urgent needs of the people of the
25 metropolitan region that such an emergency be averted and to
26 provide financially sound methods of managing the provision of

1 public transportation services in the northeastern area of the
2 State, it is necessary, while maintaining and continuing the
3 existing Authority, to modify the powers and responsibilities
4 of the Authority, to reallocate responsibility for operating
5 decisions, to change the composition and appointment of the
6 Board of Directors thereof, and to immediately establish a new
7 Board of Directors.

8 (c) The General Assembly further finds in connection with
9 this amendatory Act of the 95th General Assembly:

10 (i) The economic vitality of northeastern Illinois
11 requires regionwide and systemwide efforts to increase
12 ridership on the transit systems, constrain road congestion
13 within the metropolitan region, and allocate resources for
14 transportation so as to assist in the development of an
15 adequate, efficient, and coordinated regional transportation
16 system that is in a state of good repair.

17 (ii) To achieve the purposes of this amendatory Act of the
18 95th General Assembly, the powers and duties of the Authority
19 must be enhanced to improve overall planning and coordination,
20 to achieve an integrated and efficient regional transit system,
21 to advance the mobility of transit users, and to increase
22 financial transparency of the Authority and the Service Boards.

23 (d) ~~(e)~~ It is the purpose of this Act to provide for, aid
24 and assist public transportation in the northeastern area of
25 the State without impairing the overall quality of existing
26 public transportation by providing for the creation of a single

1 authority responsive to the people and elected officials of the
2 area and with the power and competence to develop, implement,
3 and enforce plans that promote adequate, efficient, and
4 coordinated public transportation, provide financial review of
5 the providers of public transportation in the metropolitan
6 region and facilitate public transportation provided by
7 Service Boards which is attractive and economical to users,
8 comprehensive, coordinated among its various elements,
9 economical, safe, efficient and coordinated with area and State
10 plans.

11 (Source: P.A. 83-885; 83-886.)

12 (70 ILCS 3615/2.01) (from Ch. 111 2/3, par. 702.01)

13 Sec. 2.01. General Allocation of Responsibility for Public
14 Transportation. Provision of Public Transportation — Review
15 and Program.

16 (a) In order to accomplish the ~~its~~ purposes as set forth in
17 this Act, the responsibility for planning, operating, and
18 funding public transportation in the metropolitan region shall
19 be allocated as described in this Act. The Authority shall:

20 (i) adopt plans that implement the public policy of the
21 State to provide adequate, efficient, and coordinated
22 public transportation throughout the metropolitan region;

23 (ii) set goals, objectives, and standards for the
24 Authority, the Service Boards, and transportation
25 agencies;

1 (iii) develop performance measures to inform the
2 public about the extent to which the provision of public
3 transportation in the metropolitan region meets those
4 goals, objectives, and standards;

5 (iv) allocate operating and capital funds made
6 available to support public transportation in the
7 metropolitan region;

8 (v) provide financial oversight of the Service Boards;
9 and

10 (vi) coordinate the provision of public transportation
11 and the investment in public transportation facilities to
12 enhance the integration of public transportation
13 throughout the metropolitan region, all as provided in this
14 Act.

15 The ~~the~~ Service Boards shall, on a continuing basis
16 determine the level, nature and kind of public transportation
17 which should be provided for the metropolitan region in order
18 to meet the plans, goals, objectives, and standards adopted by
19 the Authority. The Service Boards may provide public
20 transportation by purchasing such service from transportation
21 agencies through purchase of service agreements, by grants to
22 such agencies or by operating such service, all pursuant to
23 this Act and the "Metropolitan Transit Authority Act", as now
24 or hereafter amended. Certain of its actions to implement the
25 responsibilities allocated to the Authority in this subsection
26 (a) shall be taken in 3 public documents adopted by the

1 affirmative vote of at least 12 of its then Directors: A
2 Strategic Plan; a Five-Year Capital Program; and an Annual
3 Budget and Two-Year Financial Plan. The Authority shall
4 establish a policy to provide adequate public transportation
5 throughout the metropolitan region.

6 (b) The Authority shall subject the operating and capital
7 plans and expenditures of the Service Boards in the
8 metropolitan region with regard to public transportation to
9 continuing review so that the Authority may budget and expend
10 its funds with maximum effectiveness and efficiency. The
11 Authority shall conduct audits of each of the Service Boards no
12 less than every 5 years. Such audits may include management,
13 performance, financial, and infrastructure condition audits.
14 The Authority may conduct management, performance, financial,
15 and infrastructure condition audits of transportation agencies
16 that receive funds from the Authority. The Authority may direct
17 a Service Board to conduct any such audit of a transportation
18 agency that receives funds from such Service Board, and the
19 Service Board shall comply with such request to the extent it
20 has the right to do so. These audits of the Service Boards or
21 transportation agencies may be project or service specific
22 audits to evaluate their achievement of the goals and
23 objectives of that project or service and their compliance with
24 any applicable requirements. Certain of its recommendations in
25 this regard shall be set forth in 2 public documents, the
26 Five Year Program provided for in this Section and an Annual

1 ~~Budget and Program provided for in Section 4.01.~~

2 ~~(c) The Authority shall, in consultation with the Service~~
3 ~~Boards, each year prepare and, by ordinance, adopt, after~~
4 ~~public hearings held in each county in the metropolitan region,~~
5 ~~a Five Year Program to inform the public and government~~
6 ~~officials of the Authority's objectives and program for~~
7 ~~operations and capital development during the forthcoming~~
8 ~~five year period. The Five Year Program shall set forth the~~
9 ~~standards of service which the public may expect; each Service~~
10 ~~Board's plans for coordinating routes and service of the~~
11 ~~various transportation agencies; the anticipated expense of~~
12 ~~providing public transportation at standards of service then~~
13 ~~existing and under alternative operating programs; the nature,~~
14 ~~location and expense of anticipated capital improvements~~
15 ~~exceeding \$250,000, by specific item and by fiscal year; and~~
16 ~~such demographic and other data developed by planning and other~~
17 ~~related agencies, as the Authority shall consider pertinent to~~
18 ~~the Service Boards' decisions as to levels and nature of~~
19 ~~service, including without limitation the patterns of~~
20 ~~population density and growth, projected commercial and~~
21 ~~residential development, environmental factors and the~~
22 ~~availability of alternative modes of transportation. The~~
23 ~~Five Year Program shall be adopted on the affirmative votes of~~
24 ~~9 of the then Directors.~~

25 (Source: P.A. 83-886.)

1 (70 ILCS 3615/2.01a new)

2 Sec. 2.01a. Strategic Plan.

3 (a) By the affirmative vote of at least 12 of its then
4 Directors, the Authority shall adopt a Strategic Plan, no less
5 than every 5 years, after consultation with the Service Boards
6 and after holding a minimum of 3 public hearings in Cook County
7 and one public hearing in each of the other counties in the
8 region. The Executive Director of the Authority shall review
9 the Strategic Plan on an ongoing basis and make recommendations
10 to the Board of the Authority with respect to any update or
11 amendment of the Strategic Plan. The Strategic Plan shall
12 describe the specific actions to be taken by the Authority and
13 the Service Boards to provide adequate, efficient, and
14 coordinated public transportation.

15 (b) The Strategic Plan shall identify goals and objectives
16 with respect to:

17 (i) increasing ridership and passenger miles on public
18 transportation funded by the Authority;

19 (ii) coordination of public transportation services
20 and the investment in public transportation facilities to
21 enhance the integration of public transportation
22 throughout the metropolitan region;

23 (iii) coordination of fare and transfer policies to
24 promote transfers by riders among Service Boards,
25 transportation agencies, and public transportation modes,
26 which may include goals and objectives for development of a

1 universal fare instrument that riders may use
2 interchangeably on all public transportation funded by the
3 Authority, and methods to be used to allocate revenues from
4 transfers;

5 (iv) improvements in public transportation facilities
6 to bring those facilities into a state of good repair,
7 enhancements that attract ridership and improve customer
8 service, and expansions needed to serve areas with
9 sufficient demand for public transportation;

10 (v) access for transit-dependent populations,
11 including access by low-income communities to places of
12 employment, utilizing analyses provided by the Chicago
13 Metropolitan Agency for Planning regarding employment and
14 transportation availability, and giving consideration to
15 the location of employment centers in each county and the
16 availability of public transportation at off-peak hours
17 and on weekends;

18 (vi) the financial viability of the public
19 transportation system, including both operating and
20 capital programs;

21 (vii) limiting road congestion within the metropolitan
22 region and enhancing transit options to improve mobility;
23 and

24 (viii) such other goals and objectives that advance the
25 policy of the State to provide adequate, efficient, and
26 coordinated public transportation in the metropolitan

1 region.

2 (c) The Strategic Plan shall establish the process and
3 criteria by which proposals for capital improvements by a
4 Service Board or a transportation agency will be evaluated by
5 the Authority for inclusion in the Five-Year Capital Program,
6 which may include criteria for:

7 (i) allocating funds among maintenance, enhancement,
8 and expansion improvements;

9 (ii) projects to be funded from the Innovation,
10 Coordination, and Enhancement Fund;

11 (iii) projects intended to improve or enhance
12 ridership or customer service;

13 (iv) design and location of station or transit
14 improvements intended to promote transfers, increase
15 ridership, and support transit-oriented land development;

16 (v) assessing the impact of projects on the ability to
17 operate and maintain the existing transit system; and

18 (vi) other criteria that advance the goals and
19 objectives of the Strategic Plan.

20 (d) The Strategic Plan shall establish performance
21 standards and measurements regarding the adequacy, efficiency,
22 and coordination of public transportation services in the
23 region and the implementation of the goals and objectives in
24 the Strategic Plan. At a minimum, such standards and measures
25 shall include customer-related performance data measured by
26 line, route, or sub-region, as determined by the Authority, on

1 the following:

2 (i) travel times and on-time performance;

3 (ii) ridership data;

4 (iii) equipment failure rates;

5 (iv) employee and customer safety; and

6 (v) customer satisfaction.

7 The Service Boards and transportation agencies that
8 receive funding from the Authority or Service Boards shall
9 prepare, publish, and submit to the Authority such reports with
10 regard to these standards and measurements in the frequency and
11 form required by the Authority; however, the frequency of such
12 reporting shall be no less than annual. The Service Boards
13 shall publish such reports on their respective websites. The
14 Authority shall compile and publish such reports on its
15 website. Such performance standards and measures shall not be
16 used as the basis for disciplinary action against any employee
17 of the Authority or Service Boards, except to the extent the
18 employment and disciplinary practices of the Authority or
19 Service Board provide for such action.

20 (e) The Strategic Plan shall identify innovations to
21 improve the delivery of public transportation and the
22 construction of public transportation facilities.

23 (f) The Strategic Plan shall describe the expected
24 financial condition of public transportation in the
25 metropolitan region prospectively over a 10-year period, which
26 may include information about the cash position and all known

1 obligations of the Authority and the Service Boards including
2 operating expenditures, debt service, contributions for
3 payment of pension and other post-employment benefits, the
4 expected revenues from fares, tax receipts, grants from the
5 federal, State, and local governments for operating and capital
6 purposes and issuance of debt, the availability of working
7 capital, and the resources needed to achieve the goals and
8 objectives described in the Strategic Plan.

9 (g) In developing the Strategic Plan, the Authority shall
10 rely on such demographic and other data, forecasts, and
11 assumptions developed by the Chicago Metropolitan Agency for
12 Planning with respect to the patterns of population density and
13 growth, projected commercial and residential development, and
14 environmental factors, within the metropolitan region and in
15 areas outside the metropolitan region that may impact public
16 transportation utilization in the metropolitan region. Before
17 adopting or amending any Strategic Plan, the Authority shall
18 consult with the Chicago Metropolitan Agency for Planning
19 regarding the consistency of the Strategic Plan with the
20 Regional Comprehensive Plan adopted pursuant to the Regional
21 Planning Act.

22 (h) The Authority may adopt, by the affirmative vote of at
23 least 12 of its then Directors, sub-regional or corridor plans
24 for specific geographic areas of the metropolitan region in
25 order to improve the adequacy, efficiency, and coordination of
26 existing, or the delivery of new, public transportation. Such

1 plans may also address areas outside the metropolitan region
2 that may impact public transportation utilization in the
3 metropolitan region. In preparing a sub-regional or corridor
4 plan, the Authority may identify changes in operating practices
5 or capital investment in the sub-region or corridor that could
6 increase ridership, reduce costs, improve coordination, or
7 enhance transit-oriented development. The Authority shall
8 consult with any affected Service Boards in the preparation of
9 any sub-regional or corridor plans.

10 (i) If the Authority determines, by the affirmative vote of
11 at least 12 of its then Directors, that, with respect to any
12 proposed new public transportation service or facility, (i)
13 multiple Service Boards or transportation agencies are
14 potential service providers and (ii) the public transportation
15 facilities to be constructed or purchased to provide that
16 service have an expected construction cost of more than
17 \$25,000,000, the Authority shall have sole responsibility for
18 conducting any alternatives analysis and preliminary
19 environmental assessment required by federal or State law.
20 Nothing in this subparagraph (i) shall prohibit a Service Board
21 from undertaking alternatives analysis and preliminary
22 environmental assessment for any public transportation service
23 or facility identified in items (i) and (ii) above that is
24 included in the Five-Year Capital Program as of the effective
25 date of this amendatory Act of the 95th General Assembly;
26 however, any expenditure related to any such public

1 transportation service or facility must be included in a
2 Five-Year Capital Program under the requirements of Sections
3 2.01b and 4.02 of this Act.

4 (70 ILCS 3615/2.01b new)

5 Sec. 2.01b. The Five-Year Capital Program. By the
6 affirmative vote of at least 12 of its then Directors, the
7 Authority, after consultation with the Service Boards and after
8 holding a minimum of 3 public hearings in Cook County and one
9 public hearing in each of the other counties in the
10 metropolitan region, shall each year adopt a Five-Year Capital
11 Program that shall include each capital improvement to be
12 undertaken by or on behalf of a Service Board provided that the
13 Authority finds that the improvement meets any criteria for
14 capital improvements contained in the Strategic Plan, is not
15 inconsistent with any sub-regional or corridor plan adopted by
16 the Authority, and can be funded within amounts available with
17 respect to the capital and operating costs of such improvement.
18 In reviewing proposals for improvements to be included in a
19 Five-Year Capital Program, the Authority may give priority to
20 improvements that are intended to bring public transportation
21 facilities into a state of good repair. The Five-Year Capital
22 Program shall also identify capital improvements to be
23 undertaken by a Service Board, a transportation agency, or a
24 unit of local government and funded by the Authority from
25 amounts in the Innovation, Coordination, and Enhancement Fund,

1 provided that no improvement that is included in the Five-Year
2 Capital Program as of the effective date of this amendatory Act
3 of the 95th General Assembly may receive funding from the
4 Innovation, Coordination, and Enhancement Fund. Before
5 adopting a Five-Year Capital Program, the Authority shall
6 consult with the Chicago Metropolitan Agency for Planning
7 regarding the consistency of the Five-Year Capital Program with
8 the Regional Comprehensive Plan adopted pursuant to the
9 Regional Planning Act.

10 (70 ILCS 3615/2.01c new)

11 Sec. 2.01c. Innovation, Coordination, and Enhancement
12 Fund.

13 (a) The Authority shall establish an Innovation,
14 Coordination, and Enhancement Fund. Amounts on deposit in such
15 Fund and interest and other earnings on those amounts may be
16 used by the Authority, upon the affirmative vote of 12 of its
17 then Directors, and after a public participation process, for
18 operating or capital grants or loans to Service Boards,
19 transportation agencies, or units of local government that
20 advance the goals and objectives identified by the Authority in
21 its Strategic Plan, provided that no improvement that has been
22 included in a Five-Year Capital Program as of the effective
23 date of this amendatory Act of the 95th General Assembly may
24 receive any funding from the Innovation, Coordination, and
25 Enhancement Fund. Unless the Board has determined by a vote of

1 12 of its then Directors that an emergency exists requiring the
2 use of some or all of the funds then in the Innovation,
3 Coordination, and Enhancement Fund, such funds may only be used
4 to enhance the coordination and integration of public
5 transportation and develop and implement innovations to
6 improve the quality and delivery of public transportation.

7 (b) Any grantee that receives funds from the Innovation,
8 Coordination, and Enhancement Fund for the operation of
9 eligible programs must (i) implement such programs within one
10 year of receipt of such funds and (ii) within 2 years following
11 commencement of any program utilizing such funds, determine
12 whether it is desirable to continue the program, and upon such
13 a determination, either incorporate such program into its
14 annual operating budget and capital program or discontinue such
15 program. No additional funds from the Innovation,
16 Coordination, and Enhancement Fund may be distributed to a
17 grantee for any individual program beyond 2 years unless the
18 Authority by the affirmative vote of at least 12 of its then
19 Directors waives this limitation. Any such waiver will be with
20 regard to an individual program and with regard to a one
21 year-period, and any further waivers for such individual
22 program require a subsequent vote of the Board.

23 (70 ILCS 3615/2.01d new)

24 Sec. 2.01d. ADA Paratransit Fund. The Authority shall
25 establish an ADA Paratransit Fund. The amounts on deposit in

1 the Fund and interest and other earnings on those amounts shall
2 be used by the Authority to make grants to the Suburban Bus
3 Board for ADA paratransit services provided pursuant to plans
4 approved by the Authority under Section 2.30 of this Act. Funds
5 received by the Suburban Bus Board from the Authority's ADA
6 Paratransit Fund shall be used only to provide ADA paratransit
7 services to individuals who are determined to be eligible for
8 such services by the Authority under the Americans with
9 Disabilities Act of 1990 and its implementing regulations.
10 Revenues from and costs of services provided by the Suburban
11 Bus Board with grants made under this Section shall be included
12 in the Annual Budget and Two-Year Financial Program of the
13 Suburban Bus Board and shall be subject to all budgetary and
14 financial requirements under this Act that apply to ADA
15 paratransit services. Beginning in 2008, the Executive
16 Director shall, no later than August 15 of each year, provide
17 to the Board a written determination of the projected annual
18 costs of ADA paratransit services that are required to be
19 provided pursuant to the Americans with Disabilities Act of
20 1990 and its implementing regulations. The Authority shall
21 conduct triennial financial, compliance, and performance
22 audits of ADA paratransit services to assist in this
23 determination.

24 (70 ILCS 3615/2.01e new)

25 Sec. 2.01e. Suburban Community Mobility Fund. The

1 Authority shall establish a Suburban Community Mobility Fund.
2 The amounts on deposit in the Fund and interest and other
3 earnings on those amounts shall be used by the Authority to
4 make grants to the Suburban Bus Board for the purpose of
5 operating transit services, other than traditional fixed-route
6 services, that enhance suburban mobility, including, but not
7 limited to, demand-responsive transit services, ride sharing,
8 van pooling, service coordination, centralized dispatching and
9 call taking, reverse commuting, service restructuring, and bus
10 rapid transit. Revenues from and costs of services provided by
11 the Suburban Bus Board with moneys from the Suburban Community
12 Mobility Fund shall be included in the Annual Budget and
13 Two-Year Financial Program of the Suburban Bus Board and shall
14 be subject to all budgetary and financial requirements under
15 this Act.

16 (70 ILCS 3615/2.04) (from Ch. 111 2/3, par. 702.04)

17 Sec. 2.04. Fares and Nature of Service.

18 (a) Whenever a Service Board provides any public
19 transportation by operating public transportation facilities,
20 the Service Board shall provide for the level and nature of
21 fares or charges to be made for such services, and the nature
22 and standards of public transportation to be so provided that
23 meet the goals and objectives adopted by the Authority in the
24 Strategic Plan. Provided, however that if the Board adopts a
25 budget and financial plan for a Service Board in accordance

1 with the provisions in Section 4.11(b)(5), the Board may
2 consistent with the terms of any purchase of service contract
3 provide for the level and nature of fares to be made for such
4 services under the jurisdiction of that Service Board, and the
5 nature and standards of public transportation to be so
6 provided.

7 (b) Whenever a Service Board provides any public
8 transportation pursuant to grants made after June 30, 1975, to
9 transportation agencies for operating expenses (other than
10 with regard to experimental programs) or pursuant to any
11 purchase of service agreement, the purchase of service
12 agreement or grant contract shall provide for the level and
13 nature of fares or charges to be made for such services, and
14 the nature and standards of public transportation to be so
15 provided. A Service Board shall require all transportation
16 agencies with which it contracts, or from which it purchases
17 transportation services or to which it makes grants to provide
18 half fare transportation for their student riders if any of
19 such agencies provide for half fare transportation to their
20 student riders.

21 (c) In so providing for the fares or charges and the nature
22 and standards of public transportation, any purchase of service
23 agreements or grant contracts shall provide, among other
24 matters, for the terms or cost of transfers or interconnections
25 between different modes of transportation and different public
26 transportation agencies, schedules or routes of such service,

1 changes which may be made in such service, the nature and
2 condition of the facilities used in providing service, the
3 manner of collection and disposition of fares or charges, the
4 records and reports to be kept and made concerning such
5 service, ~~and~~ for interchangeable tickets or other coordinated
6 or uniform methods of collection of charges, and shall further
7 require that the transportation agency comply with any
8 determination made by the Board of the Authority under and
9 subject to the provisions of Section 2.12b of this Act. In
10 regard to any such service, the Authority and the Service
11 Boards shall give attention to and may undertake programs to
12 promote use of public transportation and to provide coordinated
13 ticket sales and passenger information. In the case of a grant
14 to a transportation agency which remains subject to Illinois
15 Commerce Commission supervision and regulation, the Service
16 Boards shall exercise the powers set forth in this Section in a
17 manner consistent with such supervision and regulation by the
18 Illinois Commerce Commission.

19 (Source: P.A. 83-886.)

20 (70 ILCS 3615/2.05) (from Ch. 111 2/3, par. 702.05)

21 Sec. 2.05. Centralized Services; Acquisition and
22 Construction.

23 (a) The Authority may at the request of two or more Service
24 Boards, serve, or designate a Service Board to serve, as a
25 centralized purchasing agent for the Service Boards so

1 requesting.

2 (b) The Authority may at the request of two or more Service
3 Boards perform other centralized services such as ridership
4 information and transfers between services under the
5 jurisdiction of the Service Boards where such centralized
6 services financially benefit the region as a whole. Provided,
7 however, that the Board may require transfers only upon an
8 affirmative vote of 12 ~~9~~ of its then Directors.

9 (c) A Service Board or the Authority may for the benefit of
10 a Service Board, to meet its purposes, construct or acquire any
11 public transportation facility for use by a Service Board or
12 for use by any transportation agency and may acquire any such
13 facilities from any transportation agency, including also
14 without limitation any reserve funds, employees' pension or
15 retirement funds, special funds, franchises, licenses,
16 patents, permits and papers, documents and records of the
17 agency. In connection with any such acquisition from a
18 transportation agency the Authority may assume obligations of
19 the transportation agency with regard to such facilities or
20 property or public transportation operations of such agency.

21 In connection with any construction or acquisition, the
22 Authority shall make relocation payments as may be required by
23 federal law or by the requirements of any federal agency
24 authorized to administer any federal program of aid.

25 (d) The Authority shall, after consulting with the Service
26 Boards, develop regionally coordinated and consolidated sales,

1 marketing, advertising, and public information programs that
2 promote the use and coordination of, and transfers among,
3 public transportation services in the metropolitan region. The
4 Authority shall develop and adopt, with the affirmative vote of
5 at least 12 of its then Directors, rules and regulations for
6 the Authority and the Service Boards regarding such programs to
7 ensure that the Service Boards' independent programs conform
8 with the Authority's regional programs.

9 (Source: P.A. 83-886.)

10 (70 ILCS 3615/2.09) (from Ch. 111 2/3, par. 702.09)

11 Sec. 2.09. Research and Development.

12 (a) The Authority and the Service Boards shall study public
13 transportation problems and developments; encourage
14 experimentation in developing new public transportation
15 technology, financing methods, and management procedures;
16 conduct, in cooperation with other public and private agencies,
17 studies and demonstration and development projects to test and
18 develop methods for improving public transportation, for
19 reducing its costs to users or for increasing public use; and
20 conduct, sponsor, and participate in other studies and
21 experiments, which may include fare demonstration programs,
22 useful to achieving the purposes of this Act. The cost for any
23 such item authorized by this Section may be exempted by the
24 Board in a budget ordinance from the "costs" included in
25 determining that the Authority and its service boards meet the

1 farebox recovery ratio or system generated revenues recovery
2 ratio requirements of Sections 3A.10, 3B.10, 4.01(b), 4.09 and
3 4.11 of this Act and Section 34 of the Metropolitan Transit
4 Authority Act during the Authority's fiscal year which begins
5 January 1, 1986 and ends December 31, 1986, provided that the
6 cost of any item authorized herein must be specifically
7 approved within the budget adopted pursuant to Sections 4.01
8 and 4.11 of this Act for that fiscal year.

9 (b) To improve public transportation service in areas of
10 the metropolitan region with limited access to commuter rail
11 service, the Authority and the Suburban Bus Division shall
12 evaluate the feasibility of implementing new bus rapid transit
13 services using the expressway and tollway systems in the
14 metropolitan region. The Illinois Department of Transportation
15 and the Illinois Toll Highway Authority shall work
16 cooperatively with the Authority and the Suburban Bus Division
17 in that evaluation and in the implementation of bus rapid
18 transit services. The Authority and the Suburban Bus Division,
19 in cooperation with the Illinois Department of Transportation,
20 shall develop a bus rapid transit demonstration project on
21 Interstate 55 located in Will, DuPage, and Cook counties. This
22 demonstration project shall test and refine approaches to bus
23 rapid transit operations in the expressway or tollway shoulder
24 or regular travel lanes and shall investigate technology
25 options that facilitate the shared use of the transit lane and
26 provide revenue for financing construction and operation of

1 public transportation facilities.

2 (c) The Suburban Bus Division and the Authority shall
3 cooperate in the development, funding, and operation of
4 programs to enhance access to job markets for residents in
5 south suburban Cook County. Beginning in 2008, the Authority
6 shall allocate to the Suburban Bus Division an amount not less
7 than \$7,500,000 annually for the costs of such programs.

8 (Source: P.A. 84-939.)

9 (70 ILCS 3615/2.12) (from Ch. 111 2/3, par. 702.12)

10 Sec. 2.12. Coordination with Planning Agencies. The
11 Authority and the Service Boards shall cooperate with the
12 various public agencies charged with responsibility for
13 long-range or comprehensive planning for the metropolitan
14 region. The Authority shall utilize the official forecasts and
15 plans of the Chicago Metropolitan Agency for Planning in
16 developing the Strategic Plan and the Five-Year Capital
17 Program. The Authority and the Service Boards shall, prior to
18 the adoption of any Strategic Plan, as provided in Section
19 2.01a of this Act, or the adoption of any Five-Year Capital
20 Program, as provided in ~~paragraph (b) of Section 2.01b 2.01~~ of
21 this Act, submit its proposals to such agencies for review and
22 comment. The Authority and the Service Boards may make use of
23 existing studies, surveys, plans, data and other materials in
24 the possession of any State agency or department, any planning
25 agency or any unit of local government.

1 (Source: P.A. 83-886.)

2 (70 ILCS 3615/2.12b new)

3 Sec. 2.12b. Coordination of Fares and Service. Upon the
4 request of a Service Board, the Executive Director of the
5 Authority may, upon the affirmative vote of 9 of the then
6 Directors of the Authority, intervene in any matter involving
7 (i) a dispute between Service Boards or a Service Board and a
8 transportation agency providing service on behalf of a Service
9 Board with respect to the terms of transfer between, and the
10 allocation of revenues from fares and charges for,
11 transportation services provided by the parties or (ii) a
12 dispute between 2 Service Boards with respect to coordination
13 of service, route duplication, or a change in service. Any
14 Service Board or transportation agency involved in such dispute
15 shall meet with the Executive Director, cooperate in good faith
16 to attempt to resolve the dispute, and provide any books,
17 records, and other information requested by the Executive
18 Director. If the Executive Director is unable to mediate a
19 resolution of any dispute, he or she may provide a written
20 determination recommending a change in the fares or charges or
21 the allocation of revenues for such service or directing a
22 change in the nature or provider of service that is the subject
23 of the dispute. The Executive Director shall base such
24 determination upon the goals and objectives of the Strategic
25 Plan established pursuant to Section 2.01a(b). Such

1 determination shall be presented to the Board of the Authority
2 and, if approved by the affirmative vote of at least 9 of the
3 then Directors of the Authority, shall be final and shall be
4 implemented by any affected Service Board and transportation
5 agency within the time frame required by the determination.

6 (70 ILCS 3615/2.14) (from Ch. 111 2/3, par. 702.14)

7 Sec. 2.14. Appointment of Officers and Employees. The
8 Authority may appoint, retain and employ officers, attorneys,
9 agents, engineers and employees. The officers shall include an
10 Executive Director, who shall be the chief executive officer of
11 the Authority, appointed by the Chairman with the concurrence
12 of 11 ~~9~~ of the other then Directors of the Board. The Executive
13 Director shall organize the staff of the Authority, shall
14 allocate their functions and duties, shall transfer such staff
15 to the Suburban Bus Division and the Commuter Rail Division as
16 is sufficient to meet their purposes, shall fix compensation
17 and conditions of employment of the staff of the Authority, and
18 consistent with the policies of and direction from the Board,
19 take all actions necessary to achieve its purposes, fulfill its
20 responsibilities and carry out its powers, and shall have such
21 other powers and responsibilities as the Board shall determine.
22 The Executive Director must be an individual of proven
23 transportation and management skills and may not be a member of
24 the Board. The Authority may employ its own professional
25 management personnel to provide professional and technical

1 expertise concerning its purposes and powers and to assist it
2 in assessing the performance of the Service Boards in the
3 metropolitan region.

4 No unlawful discrimination, as defined and prohibited in
5 the Illinois Human Rights Act, shall be made in any term or
6 aspect of employment nor shall there be discrimination based
7 upon political reasons or factors. The Authority shall
8 establish regulations to insure that its discharges shall not
9 be arbitrary and that hiring and promotion are based on merit.

10 The Authority shall be subject to the "Illinois Human
11 Rights Act", as now or hereafter amended, and the remedies and
12 procedure established thereunder. The Authority shall file an
13 affirmative action program for employment by it with the
14 Department of Human Rights to ensure that applicants are
15 employed and that employees are treated during employment,
16 without regard to unlawful discrimination. Such affirmative
17 action program shall include provisions relating to hiring,
18 upgrading, demotion, transfer, recruitment, recruitment
19 advertising, selection for training and rates of pay or other
20 forms of compensation.

21 (Source: P.A. 83-886.)

22 (70 ILCS 3615/2.18a) (from Ch. 111 2/3, par. 702.18a)

23 Sec. 2.18a. (a) The provisions of this Section apply to
24 collective bargaining agreements (including extensions and
25 amendments to existing agreements) between Service Boards or

1 transportation agencies subject to the jurisdiction of Service
2 Boards and their employees, which are entered into after
3 January 1, 1984.

4 (b) The Authority shall approve amended budgets prepared by
5 Service Boards which incorporate the costs of collective
6 bargaining agreements between Service Boards and their
7 employees. The Authority shall approve such an amended budget
8 provided that it determines by the affirmative vote of 12 ~~9~~ of
9 its then members that the amended budget meets the standards
10 established in Section 4.11.

11 (Source: P.A. 83-886.)

12 (70 ILCS 3615/2.30)

13 Sec. 2.30. Paratransit services.

14 (a) For purposes of this Act, "ADA paratransit services"
15 shall mean those comparable or specialized transportation
16 services provided by, or under grant or purchase of service
17 contracts of, the Service Boards to individuals with
18 disabilities who are unable to use fixed route transportation
19 systems and who are determined to be eligible, for some or all
20 of their trips, for such services under the Americans with
21 Disabilities Act of 1990 and its implementing regulations.

22 (b) Beginning July 1, 2005, the Authority is responsible
23 for the funding, from amounts on deposit in the ADA Paratransit
24 Fund established under Section 2.01d of this Act, financial
25 review and oversight of all ADA paratransit services that are

1 provided by the Authority or by any of the Service Boards. The
2 Suburban Bus Board shall operate or provide for the operation
3 of all ADA paratransit services by no later than July 1, 2006,
4 except that this date may be extended to the extent necessary
5 to obtain approval from the Federal Transit Administration of
6 the plan prepared pursuant to subsection (c).

7 (c) No later than January 1, 2006, the Authority, in
8 collaboration with the Suburban Bus Board and the Chicago
9 Transit Authority, shall develop a plan for the provision of
10 ADA paratransit services and submit such plan to the Federal
11 Transit Administration for approval. Approval of such plan by
12 the Authority shall require the affirmative votes of 12 ~~9~~ of
13 the then Directors. The Suburban Bus Board, the Chicago Transit
14 Authority and the Authority shall comply with the requirements
15 of the Americans with Disabilities Act of 1990 and its
16 implementing regulations in developing and approving such plan
17 including, without limitation, consulting with individuals
18 with disabilities and groups representing them in the
19 community, and providing adequate opportunity for public
20 comment and public hearings. The plan shall include the
21 contents required for a paratransit plan pursuant to the
22 Americans with Disabilities Act of 1990 and its implementing
23 regulations. The plan shall also include, without limitation,
24 provisions to:

25 (1) maintain, at a minimum, the levels of ADA
26 paratransit service that are required to be provided by the

1 Service Boards pursuant to the Americans with Disabilities
2 Act of 1990 and its implementing regulations;

3 (2) transfer the appropriate ADA paratransit services,
4 management, personnel, service contracts and assets from
5 the Chicago Transit Authority to the Authority or the
6 Suburban Bus Board, as necessary, by no later than July 1,
7 2006, except that this date may be extended to the extent
8 necessary to obtain approval from the Federal Transit
9 Administration of the plan prepared pursuant to this
10 subsection (c);

11 (3) provide for consistent policies throughout the
12 metropolitan region for scheduling of ADA paratransit
13 service trips to and from destinations, with consideration
14 of scheduling of return trips on a "will-call" open-ended
15 basis upon request of the rider, if practicable, and with
16 consideration of an increased number of trips available by
17 subscription service than are available as of the effective
18 date of this amendatory Act;

19 (4) provide that service contracts and rates, entered
20 into or set after the approval by the Federal Transit
21 Administration of the plan prepared pursuant to subsection
22 (c) of this Section, with private carriers and taxicabs for
23 ADA paratransit service are procured by means of an open
24 procurement process;

25 (5) provide for fares, fare collection and billing
26 procedures for ADA paratransit services throughout the

1 metropolitan region;

2 (6) provide for performance standards for all ADA
3 paratransit service transportation carriers, with
4 consideration of door-to-door service;

5 (7) provide, in cooperation with the Illinois
6 Department of Transportation, the Illinois Department of
7 Public Aid and other appropriate public agencies and
8 private entities, for the application and receipt of
9 grants, including, without limitation, reimbursement from
10 Medicaid or other programs for ADA paratransit services;

11 (8) provide for a system of dispatch of ADA paratransit
12 services transportation carriers throughout the
13 metropolitan region, with consideration of county-based
14 dispatch systems already in place as of the effective date
15 of this amendatory Act;

16 (9) provide for a process of determining eligibility
17 for ADA paratransit services that complies with the
18 Americans with Disabilities Act of 1990 and its
19 implementing regulations;

20 (10) provide for consideration of innovative methods
21 to provide and fund ADA paratransit services; and

22 (11) provide for the creation of one or more ADA
23 advisory boards, or the reconstitution of the existing ADA
24 advisory boards for the Service Boards, to represent the
25 diversity of individuals with disabilities in the
26 metropolitan region and to provide appropriate ongoing

1 input from individuals with disabilities into the
2 operation of ADA paratransit services.

3 (d) All revisions and annual updates to the ADA paratransit
4 services plan developed pursuant to subsection (c) of this
5 Section, or certifications of continued compliance in lieu of
6 plan updates, that are required to be provided to the Federal
7 Transit Administration shall be developed by the Authority, in
8 collaboration with the Suburban Bus Board and the Chicago
9 Transit Authority, and the Authority shall submit such
10 revision, update or certification to the Federal Transit
11 Administration for approval. Approval of such revisions,
12 updates or certifications by the Authority shall require the
13 affirmative votes of 12 ~~9~~ of the then Directors.

14 (e) The Illinois Department of Transportation, the
15 Illinois Department of Public Aid, the Authority, the Suburban
16 Bus Board and the Chicago Transit Authority shall enter into
17 intergovernmental agreements as may be necessary to provide
18 funding and accountability for, and implementation of, the
19 requirements of this Section.

20 (f) By no later than April 1, 2007, the Authority shall
21 develop and submit to the General Assembly and the Governor a
22 funding plan for ADA paratransit services. Approval of such
23 plan by the Authority shall require the affirmative votes of 12
24 ~~9~~ of the then Directors. The funding plan shall, at a minimum,
25 contain an analysis of the current costs of providing ADA
26 paratransit services, projections of the long-term costs of

1 providing ADA paratransit services, identification of and
2 recommendations for possible cost efficiencies in providing
3 ADA paratransit services, and identification of and
4 recommendations for possible funding sources for providing ADA
5 paratransit services. The Illinois Department of
6 Transportation, the Illinois Department of Public Aid, the
7 Suburban Bus Board, the Chicago Transit Authority and other
8 State and local public agencies as appropriate shall cooperate
9 with the Authority in the preparation of such funding plan.

10 (g) Any funds derived from the federal Medicaid program for
11 reimbursement of the costs of providing ADA paratransit
12 services within the metropolitan region shall be directed to
13 the Authority and shall be used to pay for or reimburse the
14 costs of providing such services.

15 (h) Nothing in this amendatory Act shall be construed to
16 conflict with the requirements of the Americans with
17 Disabilities Act of 1990 and its implementing regulations.

18 (Source: P.A. 94-370, eff. 7-29-05.)

19 (70 ILCS 3615/2.31 new)

20 Sec. 2.31. Disadvantaged Business Enterprise Contracting
21 and Equal Employment Opportunity Programs. The Authority and
22 each Service Board shall, as soon as is practicable but in no
23 event later than two years after the effective date of this
24 amendatory Act of the 95th General Assembly, establish and
25 maintain a disadvantaged business enterprise contracting

1 program designed to ensure non-discrimination in the award and
2 administration of contracts not covered under a federally
3 mandated disadvantaged business enterprise program. The
4 program shall establish narrowly tailored goals for the
5 participation of disadvantaged business enterprises as the
6 Authority and each Service Board determines appropriate. The
7 goals shall be based on demonstrable evidence of the
8 availability of ready, willing, and able disadvantaged
9 business enterprises relative to all businesses ready,
10 willing, and able to participate on the program's contracts.
11 The program shall require the Authority and each Service Board
12 to monitor the progress of the contractors' obligations with
13 respect to the program's goals. Nothing in this program shall
14 conflict with or interfere with the maintenance or operation
15 of, or compliance with, any federally mandated disadvantaged
16 business enterprise program.

17 The Authority and each Service Board shall establish and
18 maintain a program designed to promote equal employment
19 opportunity. Each year, no later than October 1, the Authority
20 and each Service Board shall report to the General Assembly on
21 the number of their respective employees and the number of
22 their respective employees who have designated themselves as
23 members of a minority group and gender.

24 Each year no later than October 1, and starting no later
25 than the October 1 after the establishment of their
26 disadvantaged business enterprise contracting programs, the

1 Authority and each Service Board shall submit a report with
2 respect to such program to the General Assembly. In addition,
3 each year no later than October 1, the Authority and each
4 Service Board shall submit a copy of its federally mandated
5 semi-annual Uniform Report of Disadvantaged Business
6 Enterprises Awards or Commitments and Payments to the General
7 Assembly.

8 (70 ILCS 3615/3.01) (from Ch. 111 2/3, par. 703.01)

9 Sec. 3.01. Board of Directors. ~~The~~ ~~Upon expiration of the~~
10 ~~term of the members of the Transition Board as provided for in~~
11 ~~Section 3.09, the~~ corporate authorities and governing body of
12 the Authority shall be a Board consisting of 13 Directors until
13 January 1, 2008, and 16 Directors thereafter, appointed as
14 follows:

15 (a) Four Directors appointed by the Mayor of the City of
16 Chicago, with the advice and consent of the City Council of the
17 City of Chicago, and, only until January 1, 2008, a fifth
18 director who shall be the Chairman of the Chicago Transit
19 Authority. After January 1, 2008, the Mayor of the City of
20 Chicago, with the advice and consent of the City Council of the
21 City of Chicago, shall appoint a fifth Director. The Directors
22 appointed by the Mayor of the City of Chicago shall not be the
23 chairman or a director of the Chicago Transit Authority. Each
24 such Director shall reside in the City of Chicago ~~except the~~
25 ~~Chairman of the Chicago Transit Authority who shall reside~~

1 ~~within the metropolitan area as defined in the Metropolitan~~
2 ~~Transit Authority Act.~~

3 (b) Four Directors appointed by the votes of a majority of
4 the members of the Cook County Board elected from ~~that part of~~
5 ~~Cook County outside of Chicago, or, in the event such Board of~~
6 ~~Commissioners becomes elected from single member districts, by~~
7 ~~those Commissioners elected from~~ districts, a majority of the
8 electors of which reside outside Chicago. After January 1,
9 2008, a fifth Director appointed by the President of the Cook
10 County Board with the advice and consent of a majority of the
11 members of the Cook County Board. ~~In either case, such~~
12 ~~appointment shall be with the concurrence of four such~~
13 ~~Commissioners.~~ Each ~~such~~ Director appointed under this
14 subparagraph shall reside in that part of Cook County outside
15 Chicago.

16 (c) Until January 1, 2008, 3 Directors appointed by the
17 Chairmen of the county boards of DuPage, Kane, Lake, McHenry,
18 and Will Counties, as follows:

19 (i) Two Directors appointed by the Chairmen of the
20 county boards of Kane, Lake, McHenry and Will Counties,
21 with the concurrence of not less than a majority of the
22 Chairmen from such counties, from nominees by the Chairmen.
23 Each such Chairman may nominate not more than 2 persons for
24 each position. Each such Director shall reside in a county
25 in the metropolitan region other than Cook or DuPage
26 Counties.

1 (ii) ~~(d)~~ One Director shall be appointed by the
2 Chairman of the ~~Board of~~ DuPage County Board with the
3 advice and consent of the ~~County Board of~~ DuPage County
4 Board. Such Director and shall reside in DuPage County.

5 (d) After January 1, 2008, 5 Directors appointed by the
6 Chairmen of the county boards of DuPage, Kane, Lake and McHenry
7 Counties and the County Executive of Will County, as follows:

8 (i) One Director appointed by the Chairman of the Kane
9 County Board with advice and consent of the Kane County
10 Board. Such Director shall reside in Kane County.

11 (ii) One Director appointed by the County Executive of
12 Will County with the advice and consent of the Will County
13 Board. Such Director shall reside in Will County.

14 (iii) One Director appointed by the Chairman of the
15 DuPage County Board with the advice and consent of the
16 DuPage County Board. Such Director shall reside in DuPage
17 County.

18 (iv) One Director appointed by the Chairman of the Lake
19 County Board with the advice and consent of the Lake County
20 Board. Such Director shall reside in Lake County.

21 (v) One Director appointed by the Chairman of the
22 McHenry County Board with the advice and consent of the
23 McHenry County Board. Such Director shall reside in McHenry
24 County.

25 (vi) To implement the changes in appointing authority
26 under this subparagraph (d) the three Directors appointed

1 under subparagraph (c) and residing in Lake County, DuPage
2 County, and Kane County respectively shall each continue to
3 serve as Director until the expiration of their respective
4 term of office and until his or her successor is appointed
5 and qualified or a vacancy occurs in the office. Thereupon,
6 the appointment shall be made by the officials given
7 appointing authority with respect to the Director whose
8 term has expired or office has become vacant.

9 (e) The Chairman serving on the effective date of this
10 amendatory Act of the 95th General Assembly shall continue to
11 serve as Chairman until the expiration of his or her term of
12 office and until his or her successor is appointed and
13 qualified or a vacancy occurs in the office ~~Before January 1,~~
14 ~~1987, for the term expiring July 1, 1989, the Chairman shall be~~
15 ~~appointed by the Governor. Thereafter the Chairman shall be~~
16 ~~appointed by the other 12 Directors with the concurrence of~~
17 ~~three fourths of such Directors.~~ Upon the expiration or vacancy
18 of the term of the Chairman then serving upon the effective
19 date of this amendatory Act of the 95th General Assembly, the
20 Chairman shall be appointed by the other Directors, by the
21 affirmative vote of at least 11 of the then Directors, with at
22 least 2 affirmative votes from Directors who reside in the City
23 of Chicago, at least 2 affirmative votes from Directors who
24 reside in Cook County outside the City of Chicago, and at least
25 2 affirmative votes from Directors who reside in the Counties
26 of DuPage, Lake, Will, Kane, or McHenry. The chairman shall not

1 be appointed from among the other Directors. The chairman shall
2 be a resident of the metropolitan region.

3 (f) Except as otherwise provided by this Act no Director
4 shall, while serving as such, be an officer, a member of the
5 Board of Directors or Trustees or an employee of any Service
6 Board or transportation agency, or be an employee of the State
7 of Illinois or any department or agency thereof, or of any unit
8 of local government or receive any compensation from any
9 elected or appointed office under the Constitution and laws of
10 Illinois; except that a Director may be a member of a school
11 board.

12 (g) Each appointment made under this Section and under
13 Section 3.03 shall be certified by the appointing authority to
14 the Board, which shall maintain the certifications as part of
15 the official records of the Authority; ~~provided that the~~
16 ~~initial appointments shall be certified to the Secretary of~~
17 ~~State, who shall transmit the certifications to the Board~~
18 ~~following its organization. All appointments made by the~~
19 ~~Governor shall be made with the advice and consent of the~~
20 ~~Senate.~~

21 (h) (Blank). ~~The Board of Directors shall be so appointed~~
22 ~~as to represent the City of Chicago, that part of Cook County~~
23 ~~outside the City of Chicago, and that part of the metropolitan~~
24 ~~region outside Cook County on the one man one vote basis. After~~
25 ~~each Federal decennial census the General Assembly shall review~~
26 ~~the composition of the Board and, if a change is needed to~~

1 ~~comply with this requirement, shall provide for the necessary~~
2 ~~revision by July 1 of the third year after such census.~~
3 ~~Provided, however, that the Chairman of the Chicago Transit~~
4 ~~Authority shall be a Director of the Authority and shall be~~
5 ~~considered as representing the City of Chicago for purposes of~~
6 ~~this paragraph.~~

7 ~~Insofar as may be practicable, the changes in Board~~
8 ~~membership necessary to achieve this purpose shall take effect~~
9 ~~as appropriate members terms expire, no member's term being~~
10 ~~reduced by reason of such revision of the composition of the~~
11 ~~Board.~~

12 (Source: P.A. 83-1417.)

13 (70 ILCS 3615/3.03) (from Ch. 111 2/3, par. 703.03)

14 Sec. 3.03. Terms, vacancies. Each Director, ~~including the~~
15 ~~Chairman, shall be appointed for an initial term as provided~~
16 ~~for in Section 3.10 of this Act. Thereafter, each Director~~
17 shall hold office for a term of 5 years, and until his
18 successor has been appointed and has qualified. A vacancy shall
19 occur upon resignation, death, conviction of a felony, or
20 removal from office of a Director. Any Director may be removed
21 from office upon concurrence of not less than 11 ~~9~~ Directors,
22 on a formal finding of incompetence, neglect of duty, or
23 malfeasance in office. Within 30 days after the office of any
24 member becomes vacant for any reason, the appointing
25 authorities of such member shall make an appointment to fill

1 the vacancy. A vacancy shall be filled for the unexpired term.

2 Whenever ~~After October 1, 1984, whenever~~ a vacancy for a
3 Director, except as to the Chairman or those Directors
4 appointed by ~~the Governor or~~ the Mayor of the City of Chicago,
5 exists for longer than 4 months, the new Director shall be
6 chosen by election by all legislative members in the General
7 Assembly representing the affected area. In order to qualify as
8 a voting legislative member in this matter, the affected area
9 must be more than 50% of the geographic area of the legislative
10 district.

11 (Source: P.A. 86-1475.)

12 (70 ILCS 3615/3.05) (from Ch. 111 2/3, par. 703.05)

13 Sec. 3.05. Meetings. The Board shall prescribe the times
14 and places for meetings and the manner in which special
15 meetings may be called. The Board shall comply in all respects
16 with the "Open Meetings Act", approved July 11, 1957, as now or
17 hereafter amended. All records, documents and papers of the
18 Authority, other than those relating to matters concerning
19 which closed sessions of the Board may be held, shall be
20 available for public examination, subject to such reasonable
21 regulations as the Board may adopt.

22 A majority of the Directors holding office shall constitute
23 a quorum for the conduct of business. Except as otherwise
24 provided in this Act, the affirmative votes of at least 9 ~~7~~
25 Directors shall be necessary for approving any contract or

1 agreement, adopting any rule or regulation, and any other
2 action required by this Act to be taken by resolution or
3 ordinance.

4 The Board shall meet with the Regional Citizens Advisory
5 Board at least once every 4 months.

6 (Source: P.A. 83-886.)

7 (70 ILCS 3615/3A.10) (from Ch. 111 2/3, par. 703A.10)

8 Sec. 3A.10. Budget and Program. The Suburban Bus Board,
9 subject to the powers of the Authority in Section 4.11, shall
10 control the finances of the Division. It shall by ordinance
11 appropriate money to perform the Division's purposes and
12 provide for payment of debts and expenses of the Division. Each
13 year the Suburban Bus Board shall prepare and publish a
14 comprehensive annual budget and proposed five-year capital
15 program document, and a financial plan for the 2 years
16 thereafter describing the state of the Division and presenting
17 for the forthcoming fiscal year and the 2 following years the
18 Suburban Bus Board's plans for such operations and capital
19 expenditures as it intends to undertake and the means by which
20 it intends to finance them. The proposed budget, ~~and~~ financial
21 plan, and five-year capital program shall be based on the
22 Authority's estimate of funds to be made available to the
23 Suburban Bus Board by or through the Authority and shall
24 conform in all respects to the requirements established by the
25 Authority. The proposed ~~program and budget,~~ financial plan, and

1 five-year capital program shall contain a statement of the
2 funds estimated to be on hand at the beginning of the fiscal
3 year, the funds estimated to be received from all sources for
4 such year and the funds estimated to be on hand at the end of
5 such year. ~~After adoption of the Authority's first Five Year~~
6 ~~Program, as provided in Section 2.01 of this Act, the proposed~~
7 ~~program and budget shall specifically identify any respect in~~
8 ~~which the recommended program deviates from the Authority's~~
9 ~~then existing Five Year Program, giving the reasons for such~~
10 ~~deviation.~~ The fiscal year of the Division shall be the same as
11 the fiscal year of the Authority. Before the proposed budget,
12 and program and financial plan, and five-year capital program
13 are submitted to the Authority, the Suburban Bus Board shall
14 hold at least one public hearing thereon in each of the
15 counties in the metropolitan region in which the Division
16 provides service. The Suburban Bus Board shall hold at least
17 one meeting for consideration of the proposed ~~program and~~
18 budget, financial plan, and five-year capital program with the
19 county board of each of the several counties in the
20 metropolitan region in which the Division provides service.
21 After conducting such hearings and holding such meetings and
22 after making such changes in the proposed ~~program and~~ budget,
23 financial plan, and five-year capital program as the Suburban
24 Bus Board deems appropriate, it shall adopt an annual budget
25 ordinance at least by November 15 next preceding the beginning
26 of each fiscal year. The budget, ~~and program, and~~ financial

1 plan, and five-year capital program shall then be submitted to
2 the Authority as provided in Section 4.11. In the event that
3 the Board of the Authority determines that the budget ~~and~~
4 ~~program,~~ and financial plan do not meet the standards of
5 Section 4.11, the Suburban Bus Board shall make such changes as
6 are necessary to meet such requirements and adopt an amended
7 budget ordinance. The amended budget ordinance shall be
8 resubmitted to the Authority pursuant to Section 4.11. The
9 ordinance shall appropriate such sums of money as are deemed
10 necessary to defray all necessary expenses and obligations of
11 the Division, specifying purposes and the objects or programs
12 for which appropriations are made and the amount appropriated
13 for each object or program. Additional appropriations,
14 transfers between items and other changes in such ordinance
15 which do not alter the basis upon which the balanced budget
16 determination was made by the Board of the Authority may be
17 made from time to time by the Suburban Bus Board.

18 The budget shall:

19 (i) show a balance between (A) anticipated revenues
20 from all sources including operating subsidies and (B) the
21 costs of providing the services specified and of funding
22 any operating deficits or encumbrances incurred in prior
23 periods, including provision for payment when due of
24 principal and interest on outstanding indebtedness;

25 (ii) show cash balances including the proceeds of any
26 anticipated cash flow borrowing sufficient to pay with

- 1 reasonable promptness all costs and expenses as incurred;
- 2 (iii) provide for a level of fares or charges and
3 operating or administrative costs for the public
4 transportation provided by or subject to the jurisdiction
5 of the Suburban Bus Board sufficient to allow the Suburban
6 Bus Board to meet its required system generated revenues
7 recovery ratio and, beginning with the 2007 fiscal year,
8 its system generated ADA paratransit services revenue
9 recovery ratio;
- 10 (iv) be based upon and employ assumptions and
11 projections which are reasonable and prudent;
- 12 (v) have been prepared in accordance with sound
13 financial practices as determined by the Board of the
14 Authority; ~~and~~
- 15 (vi) meet such other uniform financial, budgetary, or
16 fiscal requirements that the Board of the Authority may by
17 rule or regulation establish; and -
- 18 (vii) be consistent with the goals and objectives
19 adopted by the Regional Transportation Authority in the
20 Strategic Plan.

21 (Source: P.A. 94-370, eff. 7-29-05.)

22 (70 ILCS 3615/3A.11) (from Ch. 111 2/3, par. 703A.11)
23 Sec. 3A.11. Citizens Advisory Board. The Suburban Bus Board
24 shall establish a citizens advisory board composed of 10
25 residents of those portions of the metropolitan region in which

1 the Suburban Bus Board provides service who have an interest in
2 public transportation. The members of the advisory board shall
3 be named for 2 year terms, shall select one of their members to
4 serve as chairman and shall serve without compensation. The
5 citizens advisory board shall meet with the Suburban Bus Board
6 at least quarterly and advise the Suburban Bus Board of the
7 impact of its policies and programs on the communities it
8 serves. Appointments to the citizens advisory board should, to
9 the greatest extent possible, reflect the ethnic, cultural, and
10 geographic diversity of all persons residing within the
11 Suburban Bus Board's jurisdiction.

12 (Source: P.A. 83-886.)

13 (70 ILCS 3615/3A.14) (from Ch. 111 2/3, par. 703A.14)

14 Sec. 3A.14. Labor. (a) The provisions of this Section apply
15 to collective bargaining agreements (including extensions and
16 amendments of existing agreements) entered into on or after
17 January 1, 1984.

18 (b) The Suburban Bus Board shall deal with and enter into
19 written contracts with their employees, through accredited
20 representatives of such employees authorized to act for such
21 employees concerning wages, salaries, hours, working
22 conditions, and pension or retirement provisions about which a
23 collective bargaining agreement has been entered prior to the
24 effective date of this amendatory Act of 1983. Any such
25 agreement of the Suburban Bus Board shall provide that the

1 agreement may be reopened if the amended budget submitted
2 pursuant to Section 2.18a of this Act is not approved by the
3 Board of the Authority. The agreement may not include a
4 provision requiring the payment of wage increases based on
5 changes in the Consumer Price Index. The Suburban Bus Board
6 shall not have the authority to enter collective bargaining
7 agreements with respect to inherent management rights, which
8 include such areas of discretion or policy as the functions of
9 the employer, standards of services, its overall budget, the
10 organizational structure and selection of new employees and
11 direction of personnel. Employers, however, shall be required
12 to bargain collectively with regard to policy matters directly
13 affecting wages, hours and terms and conditions of employment,
14 as well as the impact thereon, upon request by employee
15 representatives. To preserve the rights of employers and
16 exclusive representatives which have established collective
17 bargaining relationships or negotiated collective bargaining
18 agreements prior to the effective date of this amendatory Act
19 of 1983, employers shall be required to bargain collectively
20 with regard to any matter concerning wages, hours or conditions
21 of employment about which they have bargained prior to the
22 effective date of this amendatory Act of 1983.

23 (c) The collective bargaining agreement may not include a
24 prohibition on the use of part-time operators on any service
25 operated by the Suburban Bus Board except where prohibited by
26 federal law.

1 (d) Within 30 days of the signing of any such collective
2 bargaining agreement, the Suburban Bus Board shall determine
3 the costs of each provision of the agreement, prepare an
4 amended budget incorporating the costs of the agreement, and
5 present the amended budget to the Board of the Authority for
6 its approval under Section 4.11. The Board may approve the
7 amended budget by an affirmative vote of 12 ~~9~~ of its then
8 Directors. If the budget is not approved by the Board of the
9 Authority, the agreement may be reopened and its terms may be
10 renegotiated. Any amended budget which may be prepared
11 following renegotiation shall be presented to the Board of the
12 Authority for its approval in like manner.

13 (Source: P.A. 83-886.)

14 (70 ILCS 3615/3B.02) (from Ch. 111 2/3, par. 703B.02)

15 Sec. 3B.02. Commuter Rail Board.

16 (a) Until January 1, 2008, the ~~The~~ governing body of the
17 Commuter Rail Division shall be a board consisting of 7
18 directors appointed pursuant to Sections 3B.03 and 3B.04, as
19 follows:

20 (1) ~~(a)~~ One director shall be appointed by the Chairman
21 of the Board of DuPage County with the advice and consent
22 of the County Board of DuPage County and shall reside in
23 DuPage County. ~~†~~

24 (2) ~~(b)~~ Two directors appointed by the Chairmen of the
25 County Boards of Kane, Lake, McHenry and Will Counties with

1 the concurrence of not less than a majority of the chairmen
2 from such counties, from nominees by the Chairmen. Each
3 such chairman may nominate not more than two persons for
4 each position. Each such director shall reside in a county
5 in the metropolitan region other than Cook or DuPage
6 County.

7 (3) ~~(e)~~ Three directors appointed by the members of the
8 Cook County Board elected from that part of Cook County
9 outside of Chicago, or, in the event such Board of
10 Commissioners becomes elected from single member
11 districts, by those Commissioners elected from districts,
12 a majority of the residents of which reside outside
13 Chicago. In either case, such appointment shall be with the
14 concurrence of four such Commissioners. Each such director
15 shall reside in that part of Cook County outside Chicago.

16 (4) ~~(d)~~ One director appointed by the Mayor of the City
17 of Chicago, with the advice and consent of the City Council
18 of the City of Chicago. Such director shall reside in the
19 City of Chicago.

20 (5) The chairman shall be appointed by the directors,
21 from the members of the board, with the concurrence of 5 of
22 such directors.

23 (b) After January 1, 2008 the governing body of the
24 Commuter Rail Division shall be a board consisting of 11
25 directors appointed, pursuant to Sections 3B.03 and 3B.04, as
26 follows:

1 (1) One Director shall be appointed by the Chairman of
2 the DuPage County Board with the advice and consent of the
3 DuPage County Board and shall reside in DuPage County. To
4 implement the changes in appointing authority under this
5 Section, upon the expiration of the term of or vacancy in
6 office of the Director appointed under item (1) of
7 subsection (a) of this Section who resides in DuPage
8 County, a Director shall be appointed under this
9 subparagraph.

10 (2) One Director shall be appointed by the Chairman of
11 the McHenry County Board with the advice and consent of the
12 McHenry County Board and shall reside in McHenry County. To
13 implement the change in appointing authority under this
14 Section, upon the expiration of the term of or vacancy in
15 office of the Director appointed under item (2) of
16 subsection (a) of this Section who resides in McHenry
17 County, a Director shall be appointed under this
18 subparagraph.

19 (3) One Director shall be appointed by the Will County
20 Executive with the advice and consent of the Will County
21 Board and shall reside in Will County. To implement the
22 change in appointing authority under this Section, upon the
23 expiration of the term of or vacancy in office of the
24 Director appointed under item (2) of subsection (a) of this
25 Section who resides in Will County, a Director shall be
26 appointed under this subparagraph.

1 (4) One Director shall be appointed by the Chairman of
2 the Lake County Board with the advice and consent of the
3 Lake County Board and shall reside in Lake County.

4 (5) One Director shall be appointed by the Chairman of
5 the Kane County Board with the advice and consent of the
6 Kane County Board and shall reside in Kane County.

7 (6) One Director shall be appointed by the Mayor of the
8 City of Chicago with the advice and consent of the City
9 Council of the City of Chicago and shall reside in the City
10 of Chicago. To implement the changes in appointing
11 authority under this Section, upon the expiration of the
12 term of or vacancy in office of the Director appointed
13 under item (4) of subsection (a) of this Section who
14 resides in the City of Chicago, a Director shall be
15 appointed under this subparagraph.

16 (7) Five Directors residing in Cook County outside of
17 the City of Chicago, as follows:

18 (i) One Director who resides in Cook County outside
19 of the City of Chicago, appointed by the President of
20 the Cook County Board with the advice and consent of a
21 majority of the members of the Cook County Board.

22 (ii) One Director who resides in the township of
23 Barrington, Palatine, Wheeling, Hanover, Schaumburg,
24 or Elk Grove. To implement the changes in appointing
25 authority under this Section, upon the expiration of
26 the term of or vacancy in office of the Director

1 appointed under paragraph (3) of subsection (a) of this
2 Section who resides in the geographic area described in
3 this subparagraph, a Director shall be appointed under
4 this subparagraph.

5 (iii) One Director who resides in the township of
6 Northfield, New Trier, Maine, Niles, Evanston, Leyden,
7 Norwood Park, River Forest, or Oak Park.

8 (iv) One Director who resides in the township of
9 Proviso, Riverside, Berwyn, Cicero, Lyons, Stickney,
10 Lemont, Palos, or Orland. To implement the changes in
11 appointing authority under this Section, upon the
12 expiration of the term of or vacancy in office of the
13 Director appointed under paragraph (3) of subsection
14 (a) of this Section who resides in the geographic area
15 described in this subparagraph and whose term of office
16 had not expired as of August 1, 2007, a Director shall
17 be appointed under this subparagraph.

18 (v) One Director who resides in the township of
19 Worth, Calumet, Bremen, Thornton, Rich, or Bloom. To
20 implement the changes in appointing authority under
21 this Section, upon the expiration of the term of or
22 vacancy in office of the Director appointed under
23 paragraph (3) of subsection (a) of this Section who
24 resides in the geographic area described in this
25 subparagraph and whose term of office had expired as of
26 August 1, 2007, a Director shall be appointed under

1 this subparagraph.

2 (vi) The Directors identified under the provisions
3 of subparagraphs (ii) through (v) of this paragraph (7)
4 shall be appointed by the members of the Cook County
5 Board. Each individual Director shall be appointed by
6 those members of the Cook County Board whose Board
7 districts overlap in whole or in part with the
8 geographic territory described in the relevant
9 subparagraph. The vote of County Board members
10 eligible to appoint directors under the provisions of
11 subparagraphs (ii) through (v) of this paragraph (7)
12 shall be weighted by the number of electors residing in
13 those portions of their Board districts within the
14 geographic territory described in the relevant
15 subparagraph (ii) through (v) of this paragraph (7). In
16 the event that the geographic territory of an election
17 precinct overlaps with more than one of the geographic
18 territories described in subparagraphs (ii) through
19 (v) of this paragraph (7), then for purposes of
20 establishing the weighted vote in this subparagraph
21 (vi) the electors for such precinct shall be allocated
22 to the geographic territory in which the majority of
23 the electors in that precinct reside.

24 (8) The chairman shall be appointed by the directors,
25 from the members of the board, with the concurrence of 8 of
26 such directors. To implement the changes in appointing

1 authority under this Section, upon the expiration of the
2 term of or vacancy in office of the Chairman appointed
3 under item (5) of subsection (a) of this Section, a
4 Chairman shall be appointed under this subparagraph.

5 (c) No director, while serving as such, shall be an
6 officer, a member of the board of directors or trustee or an
7 employee of any transportation agency, or be an employee of the
8 State of Illinois or any department or agency thereof, or of
9 any unit of local government or receive any compensation from
10 any elected or appointed office under the Constitution and laws
11 of Illinois.

12 (d) Each appointment made under subsections (a) and (b) of
13 this Section paragraphs (a) through (d) and under Section 3B.03
14 shall be certified by the appointing authority to the Commuter
15 Rail Board which shall maintain the certifications as part of
16 the official records of the Commuter Rail Board; ~~provided that~~
17 ~~the initial appointments shall be certified to the Secretary of~~
18 ~~State, who shall transmit the certifications to the Commuter~~
19 ~~Rail Board following its organization.~~

20 ~~Appointments to the Commuter Rail Board shall be~~
21 ~~apportioned so as to represent the City of Chicago, that part~~
22 ~~of Cook County outside of the City of Chicago, and DuPage~~
23 ~~County and that part of the metropolitan region other than Cook~~
24 ~~and DuPage Counties based on morning boardings of the services~~
25 ~~provided by the Commuter Rail Division as certified to the~~
26 ~~Board of the Authority by the Commuter Rail Board, provided~~

1 ~~however that the Mayor of the City of Chicago shall appoint no~~
2 ~~fewer than 1 member of the Commuter Rail Board. Within two~~
3 ~~years after each federal decennial census, the Board of the~~
4 ~~Authority shall review the composition of the Commuter Rail~~
5 ~~Board and, if change is needed to comply with this requirement,~~
6 ~~shall provide for the necessary reapportionment by July 1 of~~
7 ~~the second year after such census. Insofar as may be~~
8 ~~practicable, the changes in board membership necessary to~~
9 ~~achieve this purpose shall take effect as appropriate members~~
10 ~~terms expire, no member's term being reduced by reason of such~~
11 ~~revision of the composition of the Commuter Rail Board.~~

12 (Source: P.A. 83-886.)

13 (70 ILCS 3615/3B.03) (from Ch. 111 2/3, par. 703B.03)

14 Sec. 3B.03. Terms, Vacancies. Each ~~The initial term of the~~
15 ~~director appointed pursuant to subdivision (a) of Section 3B.02~~
16 ~~and the initial term of one of the directors appointed pursuant~~
17 ~~to subdivision (b) of Section 3B.02 shall expire on June 30,~~
18 ~~1985; the initial term of one of the directors appointed~~
19 ~~pursuant to subdivision (b) of Section 3B.02 and the initial~~
20 ~~term of one of the directors appointed pursuant to subdivision~~
21 ~~(c) of Section 3B.02 shall expire on June 30, 1986; the initial~~
22 ~~terms of two of the directors appointed pursuant to subdivision~~
23 ~~(c) of Section 3B.02 shall expire on June 30, 1987; the initial~~
24 ~~term of the director appointed pursuant to subdivision (d) of~~
25 ~~Section 3B.02 shall expire on June 30, 1988. Thereafter, each~~

1 director shall be appointed for a term of 4 years, and until
2 his successor has been appointed and qualified. A vacancy shall
3 occur upon the resignation, death, conviction of a felony, or
4 removal from office of a director. Any director may be removed
5 from office upon the concurrence of not less than 6 directors,
6 on a formal finding of incompetence, neglect of duty, or
7 malfeasance in office. Within 30 days after the office of any
8 director becomes vacant for any reason, the appropriate
9 appointing authorities of such director, as provided in Section
10 3B.02, shall make an appointment to fill the vacancy. A vacancy
11 shall be filled for the unexpired term.

12 (Source: P.A. 84-939.)

13 (70 ILCS 3615/3B.05) (from Ch. 111 2/3, par. 703B.05)

14 Sec. 3B.05. Appointment of officers and employees. The
15 Commuter Rail Board shall appoint an Executive Director who
16 shall be the chief executive officer of the Division,
17 appointed, retained or dismissed with the concurrence of 7 ~~6~~ of
18 the directors of the Commuter Rail Board. The Executive
19 Director shall appoint, retain and employ officers, attorneys,
20 agents, engineers, employees and shall organize the staff,
21 shall allocate their functions and duties, fix compensation and
22 conditions of employment, and consistent with the policies of
23 and direction from the Commuter Rail Board take all actions
24 necessary to achieve its purposes, fulfill its
25 responsibilities and carry out its powers, and shall have such

1 other powers and responsibilities as the Commuter Rail Board
2 shall determine. The Executive Director shall be an individual
3 of proven transportation and management skills and may not be a
4 member of the Commuter Rail Board. The Division may employ its
5 own professional management personnel to provide professional
6 and technical expertise concerning its purposes and powers and
7 to assist it in assessing the performance of transportation
8 agencies in the metropolitan region.

9 No unlawful discrimination, as defined and prohibited in
10 the Illinois Human Rights Act, shall be made in any term or
11 aspect of employment nor shall there be discrimination based
12 upon political reasons or factors. The Commuter Rail Board
13 shall establish regulations to insure that its discharges shall
14 not be arbitrary and that hiring and promotion are based on
15 merit.

16 The Division shall be subject to the "Illinois Human Rights
17 Act", as now or hereafter amended, and the remedies and
18 procedure established thereunder. The Commuter Rail Board
19 shall file an affirmative action program for employment by it
20 with the Department of Human Rights to ensure that applicants
21 are employed and that employees are treated during employment,
22 without regard to unlawful discrimination. Such affirmative
23 action program shall include provisions relating to hiring,
24 upgrading, demotion, transfer, recruitment, recruitment
25 advertising, selection for training and rates of pay or other
26 forms of compensation.

1 (Source: P.A. 83-885; 83-886.)

2 (70 ILCS 3615/3B.07) (from Ch. 111 2/3, par. 703B.07)

3 Sec. 3B.07. Meetings. The Commuter Rail Board shall
4 prescribe the times and places for meetings and the manner in
5 which special meetings may be called. The Commuter Rail Board
6 shall comply in all respects with the "Open Meetings Act", as
7 now or hereafter amended. All records, documents and papers of
8 the Commuter Rail Division, other than those relating to
9 matters concerning which closed sessions of the Commuter Rail
10 Board may be held, shall be available for public examination,
11 subject to such reasonable regulations as the board may adopt.

12 A majority of the members shall constitute a quorum for the
13 conduct of business. The affirmative votes of at least 6 4
14 members shall be necessary for any action required by this Act
15 to be taken by ordinance.

16 (Source: P.A. 83-886.)

17 (70 ILCS 3615/3B.09) (from Ch. 111 2/3, par. 703B.09)

18 Sec. 3B.09. General Powers. In addition to any powers
19 elsewhere provided to the Commuter Rail Board, it shall have
20 all of the powers specified in Section 2.20 of this Act except
21 for the powers specified in Section 2.20(a)(v). The Board shall
22 also have the power:

23 (a) to cooperate with the Regional Transportation
24 Authority in the exercise by the Regional Transportation

1 Authority of all the powers granted it by such Act;

2 (b) to receive funds from the Regional Transportation
3 Authority pursuant to Sections 2.02, 4.01, 4.02, 4.09 and 4.10
4 of the "Regional Transportation Authority Act", all as provided
5 in the "Regional Transportation Authority Act"; ~~and~~

6 (c) to receive financial grants from the Regional
7 Transportation Authority or a Service Board, as defined in the
8 "Regional Transportation Authority Act", upon such terms and
9 conditions as shall be set forth in a grant contract between
10 either the Division and the Regional Transportation Authority
11 or the Division and another Service Board, which contract or
12 agreement may be for such number of years or duration as the
13 parties may agree, all as provided in the "Regional
14 Transportation Authority Act"; ~~and-~~

15 (d) to borrow money for the purpose of acquiring,
16 constructing, reconstructing, extending, or improving any
17 Public Transportation Facilities (as defined in Section 1.03 of
18 the Regional Transportation Authority Act) operated by or to be
19 operated by or on behalf of the Commuter Rail Division. For the
20 purpose of evidencing the obligation of the Commuter Rail Board
21 to repay any money borrowed as provided in this subsection, the
22 Commuter Rail Board may issue revenue bonds from time to time
23 pursuant to ordinance adopted by the Commuter Rail Board,
24 subject to the approval of the Regional Transportation
25 Authority of each such issuance by the affirmative vote of 12
26 of its then Directors; provided that the Commuter Rail Board

1 may not issue bonds for the purpose of financing the
2 acquisition, construction, or improvement of a corporate
3 headquarters building. All such bonds shall be payable solely
4 from the revenues or income or any other funds that the
5 Commuter Rail Board may receive. The bonds shall bear interest
6 at a rate not to exceed the maximum rate authorized by the Bond
7 Authorization Act. Bond issues pursuant to this Section must be
8 issues with principal or mandatory redemption amounts in equal
9 amounts, with the first maturity issued occurring within the
10 fiscal year in which the bonds are issued or within the next
11 succeeding fiscal year, with bonds issued maturing or subject
12 to mandatory redemption each fiscal year thereafter up to 25
13 years. At least 25%, based on total principal amount, of all
14 bonds issued pursuant to this Section shall be sold pursuant to
15 notice of sale and public bid. No more than 75%, based on total
16 principal amount, of all bonds issued pursuant to this Section
17 12c shall be sold by negotiated sale. The maximum principal
18 amount of the bonds that may be issued and outstanding at any
19 time may not exceed \$1,000,000,000. The bonds shall have all
20 the qualities of negotiable instruments under the laws of this
21 State. To secure the payment of any or all of such bonds and
22 for the purpose of setting forth the covenants and undertakings
23 of the Commuter Rail Board in connection with the issuance
24 thereof and the issuance of any additional bonds payable from
25 such revenue or income as well as the use and application of
26 the revenue or income received by the Commuter Rail Board, the

1 Commuter Rail Board may execute and deliver a trust agreement
2 or agreements; provided that no lien upon any physical property
3 of the Commuter Rail Board shall be created thereby. A remedy
4 for any breach or default of the terms of any such trust
5 agreement by the Commuter Rail Board may be by mandamus
6 proceedings in any court of competent jurisdiction to compel
7 performance and compliance therewith, but the trust agreement
8 may prescribe by whom or on whose behalf such action may be
9 instituted. Under no circumstances shall any bonds issued by
10 the Commuter Rail Board or any other obligation of the Commuter
11 Rail Board in connection with the issuance of such bonds be or
12 become an indebtedness or obligation of the State of Illinois,
13 the Regional Transportation Authority, or any other political
14 subdivision of or municipality within the State, nor shall any
15 such bonds or obligations be or become an indebtedness of the
16 Commuter Rail Board within the purview of any constitutional
17 limitation or provision, and it shall be plainly stated on the
18 face of each bond that it does not constitute such an
19 indebtedness or obligation but is payable solely from the
20 revenues or income as aforesaid.

21 (Source: P.A. 83-885; 83-886.)

22 (70 ILCS 3615/3B.10) (from Ch. 111 2/3, par. 703B.10)

23 Sec. 3B.10. Budget and Program. The Commuter Rail Board,
24 subject to the powers of the Authority in Section 4.11, shall
25 control the finances of the Division. It shall by ordinance

1 appropriate money to perform the Division's purposes and
2 provide for payment of debts and expenses of the Division. Each
3 year the Commuter Rail Board shall prepare and publish a
4 comprehensive annual budget and proposed five-year capital
5 program document, and a financial plan for the two years
6 thereafter describing the state of the Division and presenting
7 for the forthcoming fiscal year and the two following years the
8 Commuter Rail Board's plans for such operations and capital
9 expenditures as the Commuter Rail Board intends to undertake
10 and the means by which it intends to finance them. The proposed
11 budget, ~~and financial plan,~~ and five-year capital program shall
12 be based on the Authority's estimate of funds to be made
13 available to the Commuter Rail Board by or through the
14 Authority and shall conform in all respects to the requirements
15 established by the Authority. The proposed ~~program and budget,~~
16 financial plan, and five-year capital program shall contain a
17 statement of the funds estimated to be on hand at the beginning
18 of the fiscal year, the funds estimated to be received from all
19 sources for such year and the funds estimated to be on hand at
20 the end of such year. ~~After adoption of the Authority's first~~
21 ~~Five Year Program, as provided in Section 2.01 of this Act, the~~
22 ~~proposed program and budget shall specifically identify any~~
23 ~~respect in which the recommended program deviates from the~~
24 ~~Authority's then existing Five Year Program, giving the~~
25 ~~reasons for such deviation.~~ The fiscal year of the Division
26 shall be the same as the fiscal year of the Authority. Before

1 the proposed budget, ~~and program~~ and financial plan, and
2 five-year capital program are submitted to the Authority, the
3 Commuter Rail Board shall hold at least one public hearing
4 thereon in each of the counties in the metropolitan region in
5 which the Division provides service. The Commuter Rail Board
6 shall hold at least one meeting for consideration of the
7 proposed ~~program and~~ budget, financial plan, and five-year
8 capital plan with the county board of each of the several
9 counties in the metropolitan region in which the Division
10 provides service. After conducting such hearings and holding
11 such meetings and after making such changes in the proposed
12 ~~program and~~ budget, financial plan, and five-year capital plan
13 as the Commuter Rail Board deems appropriate, the board shall
14 adopt its annual budget ordinance at least by November 15 next
15 preceding the beginning of each fiscal year. The budget, ~~and~~
16 ~~program, and~~ financial plan, and five-year capital program
17 shall then be submitted to the Authority as provided in Section
18 4.11. In the event that the Board of the Authority determines
19 that the budget and program, and financial plan do not meet the
20 standards of Section 4.11, the Commuter Rail Board shall make
21 such changes as are necessary to meet such requirements and
22 adopt an amended budget ordinance. The amended budget ordinance
23 shall be resubmitted to the Authority pursuant to Section 4.11.
24 The ordinance shall appropriate such sums of money as are
25 deemed necessary to defray all necessary expenses and
26 obligations of the Division, specifying purposes and the

1 objects or programs for which appropriations are made and the
2 amount appropriated for each object or program. Additional
3 appropriations, transfers between items and other changes in
4 such ordinance which do not alter the basis upon which the
5 balanced budget determination was made by the Board of the
6 Authority may be made from time to time by the Commuter Rail
7 Board.

8 The budget shall:

9 (i) show a balance between (A) anticipated revenues from
10 all sources including operating subsidies and (B) the costs of
11 providing the services specified and of funding any operating
12 deficits or encumbrances incurred in prior periods, including
13 provision for payment when due of principal and interest on
14 outstanding indebtedness;

15 (ii) show cash balances including the proceeds of any
16 anticipated cash flow borrowing sufficient to pay with
17 reasonable promptness all costs and expenses as incurred;

18 (iii) provide for a level of fares or charges for the
19 public transportation provided by or subject to the
20 jurisdiction of such Commuter Rail Board sufficient to allow
21 the Commuter Rail Board to meet its required system generated
22 revenue recovery ratio;

23 (iv) be based upon and employ assumptions and projections
24 which the Board of the Authority finds to be reasonable and
25 prudent;

26 (v) have been prepared in accordance with sound financial

1 practices as determined by the Board of the Authority; ~~and~~

2 (vi) meet such other uniform financial, budgetary, or
3 fiscal requirements that the Board of the Authority may by rule
4 or regulation establish; and -

5 (vii) be consistent with the goals and objectives adopted
6 by the Regional Transportation Authority in the Strategic Plan.

7 (Source: P.A. 83-885; 83-886.)

8 (70 ILCS 3615/3B.11) (from Ch. 111 2/3, par. 703B.11)

9 Sec. 3B.11. Citizens Advisory Board. The Commuter Rail
10 Board shall establish a citizens advisory board composed of ten
11 residents of those portions of the metropolitan region in which
12 the Commuter Rail Board provides service who have an interest
13 in public transportation. The members of the advisory board
14 shall be named for two year terms, shall select one of their
15 members to serve as chairman and shall serve without
16 compensation. The citizens advisory board shall meet with the
17 Commuter Rail Board at least quarterly and advise the Commuter
18 Rail Board of the impact of its policies and programs on the
19 communities it serves. Appointments to the citizens advisory
20 board should, to the greatest extent possible, reflect the
21 ethnic, cultural, and geographic diversity of all persons
22 residing within the Commuter Rail Division's jurisdiction.

23 (Source: P.A. 83-886.)

24 (70 ILCS 3615/3B.12) (from Ch. 111 2/3, par. 703B.12)

1 Sec. 3B.12. Working Cash Borrowing. The Commuter Rail Board
2 with the affirmative vote of 7 ~~5~~ of its Directors may demand
3 and direct the Board of the Authority to issue Working Cash
4 Notes at such time and in such amounts and having such
5 maturities as the Commuter Rail Board deems proper, provided
6 however any such borrowing shall have been specifically
7 identified in the budget of the Commuter Rail Board as approved
8 by the Board of the Authority. Provided further, that the
9 Commuter Rail Board may not demand and direct the Board of the
10 Authority to have issued and have outstanding at any time in
11 excess of \$20,000,000 in Working Cash Notes.

12 (Source: P.A. 83-886.)

13 (70 ILCS 3615/3B.13) (from Ch. 111 2/3, par. 703B.13)

14 Sec. 3B.13. Labor.

15 (a) The provisions of this Section apply to collective
16 bargaining agreements (including extensions and amendments of
17 existing agreements) entered into on or after January 1, 1984.
18 This Section does not apply to collective bargaining agreements
19 that are subject to the provisions of the Railway Labor Act, as
20 now or hereafter amended.

21 (b) The Commuter Rail Board shall deal with and enter into
22 written contracts with their employees, through accredited
23 representatives of such employees authorized to act for such
24 employees concerning wages, salaries, hours, working
25 conditions, and pension or retirement provisions about which a

1 collective bargaining agreement has been entered prior to the
2 effective date of this amendatory Act of 1983. Any such
3 agreement of the Commuter Rail Board shall provide that the
4 agreement may be reopened if the amended budget submitted
5 pursuant to Section 2.18a of this Act is not approved by the
6 Board of the Authority. The agreement may not include a
7 provision requiring the payment of wage increases based on
8 changes in the Consumer Price Index. The Commuter Rail Board
9 shall not have the authority to enter collective bargaining
10 agreements with respect to inherent management rights which
11 include such areas of discretion or policy as the functions of
12 the employer, standards of services, its overall budget, the
13 organizational structure and selection of new employees and
14 direction of personnel. Employers, however, shall be required
15 to bargain collectively with regard to policy matters directly
16 affecting wages, hours and terms and conditions of employment,
17 as well as the impact thereon, upon request by employee
18 representatives. To preserve the rights of the Commuter Rail
19 Board and exclusive representatives which have established
20 collective bargaining relationships or negotiated collective
21 bargaining agreements prior to the effective date of this
22 amendatory Act of 1983, the Commuter Rail Board shall be
23 required to bargain collectively with regard to any matter
24 concerning wages, hours or conditions of employment about which
25 they have bargained prior to the effective date of this
26 amendatory Act of 1983.

1 (c) The collective bargaining agreement may not include a
2 prohibition on the use of part-time operators on any service
3 operated by the Commuter Rail Board except where prohibited by
4 federal law.

5 (d) Within 30 days of the signing of any such collective
6 bargaining agreement, the Commuter Rail Board shall determine
7 the costs of each provision of the agreement, prepare an
8 amended budget incorporating the costs of the agreement, and
9 present the amended budget to the Board of the Authority for
10 its approval under Section 4.11. The Board may approve the
11 amended budget by an affirmative vote of 12 ~~9~~ of its then
12 Directors. If the budget is not approved by the Board of the
13 Authority, the agreement may be reopened and its terms may be
14 renegotiated. Any amended budget which may be prepared
15 following renegotiation shall be presented to the Board of the
16 Authority for its approval in like manner.

17 (Source: P.A. 84-1308.)

18 (70 ILCS 3615/4.01) (from Ch. 111 2/3, par. 704.01)

19 Sec. 4.01. Budget and Program.

20 (a) The Board shall control the finances of the Authority.
21 It shall by ordinance adopted by the affirmative vote of at
22 least 12 of its then Directors (i) appropriate money to perform
23 the Authority's purposes and provide for payment of debts and
24 expenses of the Authority, (ii) take action with respect to the
25 budget and two-year financial plan of each Service Board, as

1 provided in Section 4.11, and (iii) adopt an Annual Budget and
2 Two-Year Financial Plan for the Authority that includes the
3 annual budget and two-year financial plan of each Service Board
4 that has been approved by the Authority. Each year the
5 Authority shall prepare and publish a comprehensive annual
6 budget and program document describing the state of the
7 Authority and presenting for the forthcoming fiscal year the
8 Authority's plans for such operations and capital expenditures
9 as the Authority intends to undertake and the means by which it
10 intends to finance them. The Annual Budget and Two-Year
11 Financial Plan proposed program and budget shall contain a
12 statement of the funds estimated to be on hand for the
13 Authority and each Service Board at the beginning of the fiscal
14 year, the funds estimated to be received from all sources for
15 such year, the estimated expenses and obligations of the
16 Authority and each Service Board for all purposes, including
17 expenses for contributions to be made with respect to pension
18 and other employee benefits, and the funds estimated to be on
19 hand at the end of such year. ~~After adoption of the Authority's~~
20 ~~first Five-Year Program, as provided in Section 2.01 of this~~
21 ~~Act, the proposed program and budget shall specifically~~
22 ~~identify any respect in which the recommended program deviates~~
23 ~~from the Authority's then existing Five-Year Program, giving~~
24 ~~the reasons for such deviation.~~ The fiscal year of the
25 Authority and each Service Board shall begin on January 1st and
26 end on the succeeding December 31st ~~except that the fiscal year~~

1 ~~that began October 1, 1982, shall end December 31, 1983.~~ By
2 ~~July 1st 1981 and~~ July 1st of each year ~~thereafter~~ the Director
3 of the Illinois Governor's Office of Management and Budget
4 (formerly Bureau of the Budget) shall submit to the Authority
5 an estimate of revenues for the next fiscal year of the
6 Authority to be collected from the taxes imposed by the
7 Authority and the amounts to be available in the Public
8 Transportation Fund and the Regional Transportation Authority
9 Occupation and Use Tax Replacement Fund and the amounts
10 otherwise to be appropriated by the State to the Authority for
11 its purposes. The Authority shall file a copy of its Annual
12 Budget and Two-Year Financial Plan with ~~For the fiscal year~~
13 ~~ending on December 31, 1983, the Board shall report its results~~
14 ~~from operations and financial condition to the General Assembly~~
15 ~~and the Governor by January 31. For the fiscal year beginning~~
16 ~~January 1, 1984, and thereafter, the budget and program shall~~
17 ~~be presented to~~ the General Assembly and the Governor after its
18 adoption ~~not later than the preceding December 31st.~~ Before the
19 proposed Annual Budget and Two-Year Financial Plan ~~budget and~~
20 ~~program~~ is adopted, the Authority shall hold at least one
21 public hearing thereon in the metropolitan region, and shall
22 meet . ~~The Board shall hold at least one meeting for~~
23 ~~consideration of the proposed program and budget~~ with the
24 county board or its designee of each of the several counties in
25 the metropolitan region. After conducting such hearings and
26 holding such meetings and after making such changes in the

1 proposed Annual Budget and Two-Year Financial Plan ~~program and~~
2 ~~budget~~ as the Board deems appropriate, the Board shall adopt
3 its annual appropriation and Annual Budget and Two-Year
4 Financial Plan ~~budget~~ ordinance. The ordinance may be adopted
5 only upon the affirmative votes of 12 ~~9~~ of its then Directors.
6 The ordinance shall appropriate such sums of money as are
7 deemed necessary to defray all necessary expenses and
8 obligations of the Authority, specifying purposes and the
9 objects or programs for which appropriations are made and the
10 amount appropriated for each object or program. Additional
11 appropriations, transfers between items and other changes in
12 such ordinance may be made from time to time by the Board upon
13 the affirmative votes of 12 ~~9~~ of its then Directors.

14 (b) The Annual Budget and Two-Year Financial Plan ~~budget~~
15 shall show a balance between anticipated revenues from all
16 sources and anticipated expenses including funding of
17 operating deficits or the discharge of encumbrances incurred in
18 prior periods and payment of principal and interest when due,
19 and shall show cash balances sufficient to pay with reasonable
20 promptness all obligations and expenses as incurred.

21 The Annual Budget and Two-Year Financial Plan ~~annual budget~~
22 ~~and financial plan~~ must show:

23 (i) that the level of fares and charges for mass
24 transportation provided by, or under grant or purchase of
25 service contracts of, the Service Boards is sufficient to
26 cause the aggregate of all projected fare revenues from

1 such fares and charges received in each fiscal year to
2 equal at least 50% of the aggregate costs of providing such
3 public transportation in such fiscal year. "Fare revenues"
4 include the proceeds of all fares and charges for services
5 provided, contributions received in connection with public
6 transportation from units of local government other than
7 the Authority, except for contributions received by the
8 Chicago Transit Authority from a real estate transfer tax
9 imposed under subsection (i) of Section 8-3-19 of the
10 Illinois Municipal Code, and from the State pursuant to
11 subsection (i) of Section 2705-305 of the Department of
12 Transportation Law (20 ILCS 2705/2705-305), and all other
13 operating revenues properly included consistent with
14 generally accepted accounting principles but do not
15 include: the proceeds of any borrowings, and, beginning
16 with the 2007 fiscal year, all revenues and receipts,
17 including but not limited to fares and grants received from
18 the federal, State or any unit of local government or other
19 entity, derived from providing ADA paratransit service
20 pursuant to Section 2.30 of the Regional Transportation
21 Authority Act. "Costs" include all items properly included
22 as operating costs consistent with generally accepted
23 accounting principles, including administrative costs, but
24 do not include: depreciation; payment of principal and
25 interest on bonds, notes or other evidences of obligation
26 for borrowed money issued by the Authority; payments with

1 respect to public transportation facilities made pursuant
2 to subsection (b) of Section 2.20 of this Act; any payments
3 with respect to rate protection contracts, credit
4 enhancements or liquidity agreements made under Section
5 4.14; any other cost to which it is reasonably expected
6 that a cash expenditure will not be made; costs ~~up to~~
7 ~~\$5,000,000 annually~~ for passenger security including
8 grants, contracts, personnel, equipment and administrative
9 expenses, except in the case of the Chicago Transit
10 Authority, in which case the term does not include costs
11 spent annually by that entity for protection against crime
12 as required by Section 27a of the Metropolitan Transit
13 Authority Act; the payment by the Chicago Transit Authority
14 of Debt Service, as defined in Section 12c of the
15 Metropolitan Transit Authority Act, on bonds or notes
16 issued pursuant to that Section; the payment by the
17 Commuter Rail Division of debt service on bonds issued
18 pursuant to Section 3B.09; expenses incurred by the
19 Suburban Bus Division for the cost of new public
20 transportation services funded from grants pursuant to
21 Section 2.01e of this amendatory Act of the 95th General
22 Assembly for a period of 2 years from the date of
23 initiation of each such service; costs as exempted by the
24 Board for projects pursuant to Section 2.09 of this Act;
25 or, beginning with the 2007 fiscal year, expenses related
26 to providing ADA paratransit service pursuant to Section

1 2.30 of the Regional Transportation Authority Act; and in
2 fiscal years 2008 through 2017 inclusive, costs in the
3 amount of \$200,000,000 in fiscal year 2008, reducing by
4 \$20,000,000 in each fiscal year thereafter until this
5 exemption is eliminated; and

6 (ii) that the level of fares charged for ADA
7 paratransit services is sufficient to cause the aggregate
8 of all projected revenues from such fares charged and
9 received in each fiscal year to equal at least 10% of the
10 aggregate costs of providing such ADA paratransit services
11 in fiscal years 2007 and 2008 and at least 12% of the
12 aggregate costs of providing such ADA paratransit services
13 in fiscal years 2009 and thereafter; for purposes of this
14 Act, the percentages in this subsection (b)(ii) shall be
15 referred to as the "system generated ADA paratransit
16 services revenue recovery ratio".

17 (c) The actual administrative expenses of the Authority for
18 the fiscal year commencing January 1, 1985 may not exceed
19 \$5,000,000. The actual administrative expenses of the
20 Authority for the fiscal year commencing January 1, 1986, and
21 for each fiscal year thereafter shall not exceed the maximum
22 administrative expenses for the previous fiscal year plus 5%.
23 "Administrative expenses" are defined for purposes of this
24 Section as all expenses except: (1) capital expenses and
25 purchases of the Authority on behalf of the Service Boards; (2)
26 payments to Service Boards; and (3) payment of principal and

1 interest on bonds, notes or other evidence of obligation for
2 borrowed money issued by the Authority; (4) costs for passenger
3 security including grants, contracts, personnel, equipment and
4 administrative expenses; (5) payments with respect to public
5 transportation facilities made pursuant to subsection (b) of
6 Section 2.20 of this Act; and (6) any payments with respect to
7 rate protection contracts, credit enhancements or liquidity
8 agreements made pursuant to Section 4.14.

9 (d) After withholding 15% of the proceeds of any tax
10 imposed by the Authority and 15% of money received by the
11 Authority from the Regional Transportation Authority
12 Occupation and Use Tax Replacement Fund, the Board shall
13 allocate the proceeds and money remaining to the Service Boards
14 as follows: (1) an amount equal to 85% of the proceeds of those
15 taxes collected within the City of Chicago and 85% of the money
16 received by the Authority on account of transfers to the
17 Regional Transportation Authority Occupation and Use Tax
18 Replacement Fund from the County and Mass Transit District Fund
19 attributable to retail sales within the City of Chicago shall
20 be allocated to the Chicago Transit Authority; (2) an amount
21 equal to 85% of the proceeds of those taxes collected within
22 Cook County outside the City of Chicago and 85% of the money
23 received by the Authority on account of transfers to the
24 Regional Transportation Authority Occupation and Use Tax
25 Replacement Fund from the County and Mass Transit District Fund
26 attributable to retail sales within Cook County outside of the

1 city of Chicago shall be allocated 30% to the Chicago Transit
2 Authority, 55% to the Commuter Rail Board and 15% to the
3 Suburban Bus Board; and (3) an amount equal to 85% of the
4 proceeds of the taxes collected within the Counties of DuPage,
5 Kane, Lake, McHenry and Will shall be allocated 70% to the
6 Commuter Rail Board and 30% to the Suburban Bus Board.

7 (e) Moneys received by the Authority on account of
8 transfers to the Regional Transportation Authority Occupation
9 and Use Tax Replacement Fund from the State and Local Sales Tax
10 Reform Fund shall be allocated among the Authority and the
11 Service Boards as follows: 15% of such moneys shall be retained
12 by the Authority and the remaining 85% shall be transferred to
13 the Service Boards as soon as may be practicable after the
14 Authority receives payment. Moneys which are distributable to
15 the Service Boards pursuant to the preceding sentence shall be
16 allocated among the Service Boards on the basis of each Service
17 Board's distribution ratio. The term "distribution ratio"
18 means, for purposes of this subsection (e) of this Section
19 4.01, the ratio of the total amount distributed to a Service
20 Board pursuant to subsection (d) of Section 4.01 for the
21 immediately preceding calendar year to the total amount
22 distributed to all of the Service Boards pursuant to subsection
23 (d) of Section 4.01 for the immediately preceding calendar
24 year.

25 (f) To carry out its duties and responsibilities under this
26 Act, further and accomplish the preparation of the annual

1 ~~budget and program as well as the Five-Year Program provided~~
2 ~~for in Section 2.01 of this Act and to make such interim~~
3 ~~management decisions as may be necessary,~~ the Board shall
4 employ staff which shall: (1) propose for adoption by the Board
5 of the Authority rules for the Service Boards that establish
6 (i) forms and schedules to be used and information required to
7 be provided with respect to a five-year capital program, annual
8 budgets, and two-year financial plans and regular reporting of
9 actual results against adopted budgets and financial plans,
10 (ii) financial practices to be followed in the budgeting and
11 expenditure of public funds, (iii) assumptions and projections
12 that must be followed in preparing and submitting its annual
13 budget and two-year financial plan or a five-year capital
14 program; (2) evaluate for the Board public transportation
15 programs operated or proposed by the Service Boards and
16 transportation agencies in terms of the goals and objectives
17 set out in the Strategic Plan , ~~costs and relative priorities;~~
18 (3) (2) keep the Board and the public informed of the extent to
19 which the Service Boards and transportation agencies are
20 meeting the goals and objectives adopted by the Authority in
21 the Strategic Plan ~~public transportation programs and~~
22 ~~accomplishments of such transportation agencies;~~ and (4)
23 assess the efficiency or adequacy of public transportation
24 services provided by a Service Board and make recommendations
25 for change in that service ~~(3) coordinate the development and~~
26 ~~implementation of public transportation programs to the end~~

1 that the moneys ~~monies~~ available to the Authority may be
2 expended in the most economical manner possible with the least
3 possible duplication.

4 (g) All ~~Under such regulations as the Board may prescribe,~~
5 ~~all~~ Service Boards, transportation agencies, comprehensive
6 planning agencies, including the Chicago Metropolitan Agency
7 for Planning, or transportation planning agencies in the
8 metropolitan region shall furnish to the Authority ~~Board~~ such
9 information pertaining to public transportation or relevant
10 for plans therefor as it may from time to time require. The
11 Executive Director, or his or her designee, upon payment to any
12 ~~such agency or Service Board of the reasonable additional cost~~
13 ~~of its so providing such information except as may otherwise be~~
14 ~~provided by agreement with the Authority, and the Board or any~~
15 ~~duly authorized employee of the Board~~ shall, for the purpose of
16 securing any such information necessary or appropriate to carry
17 out any of the powers and responsibilities of the Authority
18 under this Act, have access to, and the right to examine, all
19 books, documents, papers or records of a Service Board or any
20 transportation ~~such~~ agency receiving funds from the Authority
21 or Service Board, and such Service Board or transportation
22 agency shall comply with any request by the Executive Director,
23 or his or her designee, within 30 days or an extended time
24 provided by the Executive Director ~~pertaining to public~~
25 ~~transportation or relevant for plans therefor.~~

26 (h) No Service Board shall undertake any capital

1 improvement which is not identified in the Five-Year Capital
2 Program.

3 (Source: P.A. 94-370, eff. 7-29-05.)

4 (70 ILCS 3615/4.02) (from Ch. 111 2/3, par. 704.02)

5 Sec. 4.02. Federal, State and Other Funds.

6 (a) The Authority shall have the power to apply for,
7 receive and expend grants, loans or other funds from the State
8 of Illinois or any department or agency thereof, from any unit
9 of local government, from the federal government or any
10 department or agency thereof, for use in connection with any of
11 the powers or purposes of the Authority as set forth in this
12 Act. The Authority shall have power to make such studies as may
13 be necessary and to enter into contracts or agreements with the
14 State of Illinois or any department or agency thereof, with any
15 unit of local government, or with the federal government or any
16 department or agency thereof, concerning such grants, loans or
17 other funds, or any conditions relating thereto, including
18 obligations to repay such funds. The Authority may make such
19 covenants concerning such grants, loans and funds as it deems
20 proper and necessary in carrying out its responsibilities,
21 purposes and powers as provided in this Act.

22 (b) The Authority shall be the primary public body in the
23 metropolitan region with authority to apply for and receive any
24 grants, loans or other funds relating to public transportation
25 programs from the State of Illinois or any department or agency

1 thereof, or from the federal government or any department or
2 agency thereof. Any unit of local government, Service Board or
3 transportation agency may apply for and receive any such
4 federal or state capital grants, loans or other funds,
5 provided, however that a Service Board may not apply for or
6 receive any grant or loan which is not identified in the
7 Five-Year Capital Program. Any Service Board, unit of local
8 government or transportation agency shall notify the Authority
9 prior to making any such application and shall file a copy
10 thereof with the Authority. Nothing in this Section shall be
11 construed to impose any limitation on the ability of the State
12 of Illinois or any department or agency thereof, any unit of
13 local government or Service Board or transportation agency to
14 make any grants or to enter into any agreement or contract with
15 the National Rail Passenger Corporation. Nor shall anything in
16 this Section impose any limitation on the ability of any school
17 district to apply for or receive any grant, loan or other funds
18 for transportation of school children.

19 (c) The Authority shall provide to the Service Board any
20 monies received relating to public transportation services
21 under the jurisdiction of the Service Boards as follows:

22 (1) As soon as may be practicable after the Authority
23 receives payment, under Section 4.03(m) or Section
24 4.03.1(d), of the proceeds of those taxes levied by the
25 Authority, the Authority shall transfer to each Service
26 Board the amount to which it is entitled under Section

1 4.01(d);

2 (2) The Authority by ordinance adopted by 9 of its then
3 Directors shall establish a formula apportioning any
4 federal funds for operating assistance purposes the
5 Authority receives to each Service Board. In establishing
6 the formula, the Board shall consider, among other factors:
7 ridership levels, the efficiency with which the service is
8 provided, the degree of transit dependence of the area
9 served and the cost of service. That portion of any federal
10 funds for operating assistance received by the Authority
11 shall be paid to each Service Board as soon as may be
12 practicable upon their receipt provided the Authority has
13 adopted a balanced budget as required by Section 4.01 and
14 further provided that the Service Boards are in compliance
15 with the requirements in Section 4.11.

16 (3) The Authority by ordinance adopted by 9 of its then
17 Directors shall apportion to the Service Boards funds
18 provided by the State of Illinois under Section 4.09 and
19 shall make payment of said funds to each Service Board as
20 soon as may be practicable upon their receipt provided the
21 Authority has adopted a balanced budget as required by
22 Section 4.01 and further provided the Service Board is in
23 compliance with the requirements in Section 4.11.

24 (4) Beginning January 1, 2009, before making any
25 payments, transfers, or expenditures under this subsection
26 to a Service Board, the Authority must first comply with

1 Section 4.02a or 4.02b of this Act, whichever may be
2 applicable.

3 (Source: P.A. 94-839, eff. 6-6-06; revised 8-3-06.)

4 (70 ILCS 3615/4.02a)

5 Sec. 4.02a. Chicago Transit Authority contributions to
6 pension funds.

7 (a) The Authority shall continually review the Chicago
8 Transit Authority's payment of the required contributions to
9 its retirement system under Section 22-101 of the Illinois
10 Pension Code.

11 (b) Beginning January 1, 2009, if at any time the Authority
12 determines that the Chicago Transit Authority's payment of any
13 portion of the required contributions to its retirement system
14 under Section 22-101 of the Illinois Pension Code is more than
15 one month overdue, it shall as soon as possible pay the amount
16 of those overdue contributions to the Board of Trustees ~~trustee~~
17 of the Retirement Plan ~~retirement system~~ on behalf of the
18 Chicago Transit Authority out of moneys otherwise payable to
19 the Chicago Transit Authority under subsection (c) of Section
20 4.02 of this Act. The Authority shall thereafter have no
21 liability to the Chicago Transit Authority for amounts paid to
22 the Board of Trustees ~~trustee~~ of the Retirement Plan ~~retirement~~
23 ~~system~~ under this Section.

24 (c) Whenever the Authority acts or determines that it is
25 required to act under subsection (b), it shall so notify the

1 Chicago Transit Authority, the Mayor of Chicago, the Governor,
2 the Auditor General of the State of Illinois, and the General
3 Assembly.

4 (Source: P.A. 94-839, eff. 6-6-06.)

5 (70 ILCS 3615/4.02b)

6 Sec. 4.02b. Other contributions to pension funds.

7 (a) The Authority shall continually review the payment of
8 the required employer contributions to affected pension plans
9 under Section 22-103 of the Illinois Pension Code.

10 (b) Beginning January 1, 2009, if at any time the Authority
11 determines that the Commuter Rail Board's or Suburban Bus
12 Board's payment of any portion of the required contributions to
13 an affected pension plan under Section 22-103 of the Illinois
14 Pension Code is more than one month overdue, it shall as soon
15 as possible pay the amount of those overdue contributions to
16 the trustee of the affected pension plan on behalf of that
17 Service Board out of moneys otherwise payable to that Service
18 Board under subsection (c) of Section 4.02 of this Act. The
19 Authority shall thereafter have no liability to the Service
20 Board for amounts paid to the trustee of the affected pension
21 plan under this Section.

22 (c) Whenever the Authority acts or determines that it is
23 required to act under subsection (b), it shall so notify the
24 affected Service Board, the Mayor of Chicago, the Governor, the
25 Auditor General of the State of Illinois, and the General

1 Assembly.

2 (d) Beginning January 1, 2009, if the Authority fails to
3 pay to an affected pension fund within 30 days after it is due
4 any employer contribution that it is required to make as a
5 contributing employer under Section 22-103 of the Illinois
6 Pension Code, it shall promptly so notify the Commission on
7 Government Forecasting and Accountability, the Mayor of
8 Chicago, the Governor, and the General Assembly, and it shall
9 promptly pay the overdue amount out of the first money
10 available to the Authority for its administrative expenses, as
11 that term is defined in Section 4.01(c).

12 (Source: P.A. 94-839, eff. 6-6-06.)

13 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

14 Sec. 4.03. Taxes.

15 (a) In order to carry out any of the powers or purposes of
16 the Authority, the Board may by ordinance adopted with the
17 concurrence of 12 ~~9~~ of the then Directors, impose throughout
18 the metropolitan region any or all of the taxes provided in
19 this Section. Except as otherwise provided in this Act, taxes
20 imposed under this Section and civil penalties imposed incident
21 thereto shall be collected and enforced by the State Department
22 of Revenue. The Department shall have the power to administer
23 and enforce the taxes and to determine all rights for refunds
24 for erroneous payments of the taxes.

25 (b) The Board may impose a public transportation tax upon

1 all persons engaged in the metropolitan region in the business
2 of selling at retail motor fuel for operation of motor vehicles
3 upon public highways. The tax shall be at a rate not to exceed
4 5% of the gross receipts from the sales of motor fuel in the
5 course of the business. As used in this Act, the term "motor
6 fuel" shall have the same meaning as in the Motor Fuel Tax Law.
7 The Board may provide for details of the tax. The provisions of
8 any tax shall conform, as closely as may be practicable, to the
9 provisions of the Municipal Retailers Occupation Tax Act,
10 including without limitation, conformity to penalties with
11 respect to the tax imposed and as to the powers of the State
12 Department of Revenue to promulgate and enforce rules and
13 regulations relating to the administration and enforcement of
14 the provisions of the tax imposed, except that reference in the
15 Act to any municipality shall refer to the Authority and the
16 tax shall be imposed only with regard to receipts from sales of
17 motor fuel in the metropolitan region, at rates as limited by
18 this Section.

19 (c) In connection with the tax imposed under paragraph (b)
20 of this Section the Board may impose a tax upon the privilege
21 of using in the metropolitan region motor fuel for the
22 operation of a motor vehicle upon public highways, the tax to
23 be at a rate not in excess of the rate of tax imposed under
24 paragraph (b) of this Section. The Board may provide for
25 details of the tax.

26 (d) The Board may impose a motor vehicle parking tax upon

1 the privilege of parking motor vehicles at off-street parking
2 facilities in the metropolitan region at which a fee is
3 charged, and may provide for reasonable classifications in and
4 exemptions to the tax, for administration and enforcement
5 thereof and for civil penalties and refunds thereunder and may
6 provide criminal penalties thereunder, the maximum penalties
7 not to exceed the maximum criminal penalties provided in the
8 Retailers' Occupation Tax Act. The Authority may collect and
9 enforce the tax itself or by contract with any unit of local
10 government. The State Department of Revenue shall have no
11 responsibility for the collection and enforcement unless the
12 Department agrees with the Authority to undertake the
13 collection and enforcement. As used in this paragraph, the term
14 "parking facility" means a parking area or structure having
15 parking spaces for more than 2 vehicles at which motor vehicles
16 are permitted to park in return for an hourly, daily, or other
17 periodic fee, whether publicly or privately owned, but does not
18 include parking spaces on a public street, the use of which is
19 regulated by parking meters.

20 (e) The Board may impose a Regional Transportation
21 Authority Retailers' Occupation Tax upon all persons engaged in
22 the business of selling tangible personal property at retail in
23 the metropolitan region. In Cook County the tax rate shall be
24 1% of the gross receipts from sales of food for human
25 consumption that is to be consumed off the premises where it is
26 sold (other than alcoholic beverages, soft drinks and food that

1 has been prepared for immediate consumption) and prescription
2 and nonprescription medicines, drugs, medical appliances and
3 insulin, urine testing materials, syringes and needles used by
4 diabetics, and 3/4% of the gross receipts from other taxable
5 sales made in the course of that business. In DuPage, Kane,
6 Lake, McHenry, and Will Counties, the tax rate shall be 1/4% of
7 the gross receipts from all taxable sales made in the course of
8 that business. The tax imposed under this Section and all civil
9 penalties that may be assessed as an incident thereof shall be
10 collected and enforced by the State Department of Revenue. The
11 Department shall have full power to administer and enforce this
12 Section; to collect all taxes and penalties so collected in the
13 manner hereinafter provided; and to determine all rights to
14 credit memoranda arising on account of the erroneous payment of
15 tax or penalty hereunder. In the administration of, and
16 compliance with this Section, the Department and persons who
17 are subject to this Section shall have the same rights,
18 remedies, privileges, immunities, powers and duties, and be
19 subject to the same conditions, restrictions, limitations,
20 penalties, exclusions, exemptions and definitions of terms,
21 and employ the same modes of procedure, as are prescribed in
22 Sections 1, 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65
23 (in respect to all provisions therein other than the State rate
24 of tax), 2c, 3 (except as to the disposition of taxes and
25 penalties collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
26 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12 and 13 of the

1 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act, as fully as if those provisions were
3 set forth herein.

4 Persons subject to any tax imposed under the authority
5 granted in this Section may reimburse themselves for their
6 seller's tax liability hereunder by separately stating the tax
7 as an additional charge, which charge may be stated in
8 combination in a single amount with State taxes that sellers
9 are required to collect under the Use Tax Act, under any
10 bracket schedules the Department may prescribe.

11 Whenever the Department determines that a refund should be
12 made under this Section to a claimant instead of issuing a
13 credit memorandum, the Department shall notify the State
14 Comptroller, who shall cause the warrant to be drawn for the
15 amount specified, and to the person named, in the notification
16 from the Department. The refund shall be paid by the State
17 Treasurer out of the Regional Transportation Authority tax fund
18 established under paragraph (n) of this Section.

19 If a tax is imposed under this subsection (e), a tax shall
20 also be imposed under subsections (f) and (g) of this Section.

21 For the purpose of determining whether a tax authorized
22 under this Section is applicable, a retail sale by a producer
23 of coal or other mineral mined in Illinois, is a sale at retail
24 at the place where the coal or other mineral mined in Illinois
25 is extracted from the earth. This paragraph does not apply to
26 coal or other mineral when it is delivered or shipped by the

1 seller to the purchaser at a point outside Illinois so that the
2 sale is exempt under the Federal Constitution as a sale in
3 interstate or foreign commerce.

4 No tax shall be imposed or collected under this subsection
5 on the sale of a motor vehicle in this State to a resident of
6 another state if that motor vehicle will not be titled in this
7 State.

8 Nothing in this Section shall be construed to authorize the
9 Regional Transportation Authority to impose a tax upon the
10 privilege of engaging in any business that under the
11 Constitution of the United States may not be made the subject
12 of taxation by this State.

13 (f) If a tax has been imposed under paragraph (e), a
14 Regional Transportation Authority Service Occupation Tax shall
15 also be imposed upon all persons engaged, in the metropolitan
16 region in the business of making sales of service, who as an
17 incident to making the sales of service, transfer tangible
18 personal property within the metropolitan region, either in the
19 form of tangible personal property or in the form of real
20 estate as an incident to a sale of service. In Cook County, the
21 tax rate shall be: (1) 1% of the serviceman's cost price of
22 food prepared for immediate consumption and transferred
23 incident to a sale of service subject to the service occupation
24 tax by an entity licensed under the Hospital Licensing Act or
25 the Nursing Home Care Act that is located in the metropolitan
26 region; (2) 1% of the selling price of food for human

1 consumption that is to be consumed off the premises where it is
2 sold (other than alcoholic beverages, soft drinks and food that
3 has been prepared for immediate consumption) and prescription
4 and nonprescription medicines, drugs, medical appliances and
5 insulin, urine testing materials, syringes and needles used by
6 diabetics; and (3) 3/4% of the selling price from other taxable
7 sales of tangible personal property transferred. In DuPage,
8 Kane, Lake, McHenry and Will Counties the rate shall be 1/4% of
9 the selling price of all tangible personal property
10 transferred.

11 The tax imposed under this paragraph and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the State Department of Revenue. The
14 Department shall have full power to administer and enforce this
15 paragraph; to collect all taxes and penalties due hereunder; to
16 dispose of taxes and penalties collected in the manner
17 hereinafter provided; and to determine all rights to credit
18 memoranda arising on account of the erroneous payment of tax or
19 penalty hereunder. In the administration of and compliance with
20 this paragraph, the Department and persons who are subject to
21 this paragraph shall have the same rights, remedies,
22 privileges, immunities, powers and duties, and be subject to
23 the same conditions, restrictions, limitations, penalties,
24 exclusions, exemptions and definitions of terms, and employ the
25 same modes of procedure, as are prescribed in Sections 1a-1, 2,
26 2a, 3 through 3-50 (in respect to all provisions therein other

1 than the State rate of tax), 4 (except that the reference to
2 the State shall be to the Authority), 5, 7, 8 (except that the
3 jurisdiction to which the tax shall be a debt to the extent
4 indicated in that Section 8 shall be the Authority), 9 (except
5 as to the disposition of taxes and penalties collected, and
6 except that the returned merchandise credit for this tax may
7 not be taken against any State tax), 10, 11, 12 (except the
8 reference therein to Section 2b of the Retailers' Occupation
9 Tax Act), 13 (except that any reference to the State shall mean
10 the Authority), the first paragraph of Section 15, 16, 17, 18,
11 19 and 20 of the Service Occupation Tax Act and Section 3-7 of
12 the Uniform Penalty and Interest Act, as fully as if those
13 provisions were set forth herein.

14 Persons subject to any tax imposed under the authority
15 granted in this paragraph may reimburse themselves for their
16 serviceman's tax liability hereunder by separately stating the
17 tax as an additional charge, that charge may be stated in
18 combination in a single amount with State tax that servicemen
19 are authorized to collect under the Service Use Tax Act, under
20 any bracket schedules the Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this paragraph to a claimant instead of issuing a
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the warrant to be drawn for the
25 amount specified, and to the person named in the notification
26 from the Department. The refund shall be paid by the State

1 Treasurer out of the Regional Transportation Authority tax fund
2 established under paragraph (n) of this Section.

3 Nothing in this paragraph shall be construed to authorize
4 the Authority to impose a tax upon the privilege of engaging in
5 any business that under the Constitution of the United States
6 may not be made the subject of taxation by the State.

7 (g) If a tax has been imposed under paragraph (e), a tax
8 shall also be imposed upon the privilege of using in the
9 metropolitan region, any item of tangible personal property
10 that is purchased outside the metropolitan region at retail
11 from a retailer, and that is titled or registered with an
12 agency of this State's government. In Cook County the tax rate
13 shall be 3/4% of the selling price of the tangible personal
14 property, as "selling price" is defined in the Use Tax Act. In
15 DuPage, Kane, Lake, McHenry and Will counties the tax rate
16 shall be 1/4% of the selling price of the tangible personal
17 property, as "selling price" is defined in the Use Tax Act. The
18 tax shall be collected from persons whose Illinois address for
19 titling or registration purposes is given as being in the
20 metropolitan region. The tax shall be collected by the
21 Department of Revenue for the Regional Transportation
22 Authority. The tax must be paid to the State, or an exemption
23 determination must be obtained from the Department of Revenue,
24 before the title or certificate of registration for the
25 property may be issued. The tax or proof of exemption may be
26 transmitted to the Department by way of the State agency with

1 which, or the State officer with whom, the tangible personal
2 property must be titled or registered if the Department and the
3 State agency or State officer determine that this procedure
4 will expedite the processing of applications for title or
5 registration.

6 The Department shall have full power to administer and
7 enforce this paragraph; to collect all taxes, penalties and
8 interest due hereunder; to dispose of taxes, penalties and
9 interest collected in the manner hereinafter provided; and to
10 determine all rights to credit memoranda or refunds arising on
11 account of the erroneous payment of tax, penalty or interest
12 hereunder. In the administration of and compliance with this
13 paragraph, the Department and persons who are subject to this
14 paragraph shall have the same rights, remedies, privileges,
15 immunities, powers and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties, exclusions,
17 exemptions and definitions of terms and employ the same modes
18 of procedure, as are prescribed in Sections 2 (except the
19 definition of "retailer maintaining a place of business in this
20 State"), 3 through 3-80 (except provisions pertaining to the
21 State rate of tax, and except provisions concerning collection
22 or refunding of the tax by retailers), 4, 11, 12, 12a, 14, 15,
23 19 (except the portions pertaining to claims by retailers and
24 except the last paragraph concerning refunds), 20, 21 and 22 of
25 the Use Tax Act, and are not inconsistent with this paragraph,
26 as fully as if those provisions were set forth herein.

1 Whenever the Department determines that a refund should be
2 made under this paragraph to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the order to be drawn for the
5 amount specified, and to the person named in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the Regional Transportation Authority tax fund
8 established under paragraph (n) of this Section.

9 (h) The Authority may impose a replacement vehicle tax of
10 \$50 on any passenger car as defined in Section 1-157 of the
11 Illinois Vehicle Code purchased within the metropolitan region
12 by or on behalf of an insurance company to replace a passenger
13 car of an insured person in settlement of a total loss claim.
14 The tax imposed may not become effective before the first day
15 of the month following the passage of the ordinance imposing
16 the tax and receipt of a certified copy of the ordinance by the
17 Department of Revenue. The Department of Revenue shall collect
18 the tax for the Authority in accordance with Sections 3-2002
19 and 3-2003 of the Illinois Vehicle Code.

20 The Department shall immediately pay over to the State
21 Treasurer, ex officio, as trustee, all taxes collected
22 hereunder. On or before the 25th day of each calendar month,
23 the Department shall prepare and certify to the Comptroller the
24 disbursement of stated sums of money to the Authority. The
25 amount to be paid to the Authority shall be the amount
26 collected hereunder during the second preceding calendar month

1 by the Department, less any amount determined by the Department
2 to be necessary for the payment of refunds. Within 10 days
3 after receipt by the Comptroller of the disbursement
4 certification to the Authority provided for in this Section to
5 be given to the Comptroller by the Department, the Comptroller
6 shall cause the orders to be drawn for that amount in
7 accordance with the directions contained in the certification.

8 (i) The Board may not impose any other taxes except as it
9 may from time to time be authorized by law to impose.

10 (j) A certificate of registration issued by the State
11 Department of Revenue to a retailer under the Retailers'
12 Occupation Tax Act or under the Service Occupation Tax Act
13 shall permit the registrant to engage in a business that is
14 taxed under the tax imposed under paragraphs (b), (e), (f) or
15 (g) of this Section and no additional registration shall be
16 required under the tax. A certificate issued under the Use Tax
17 Act or the Service Use Tax Act shall be applicable with regard
18 to any tax imposed under paragraph (c) of this Section.

19 (k) The provisions of any tax imposed under paragraph (c)
20 of this Section shall conform as closely as may be practicable
21 to the provisions of the Use Tax Act, including without
22 limitation conformity as to penalties with respect to the tax
23 imposed and as to the powers of the State Department of Revenue
24 to promulgate and enforce rules and regulations relating to the
25 administration and enforcement of the provisions of the tax
26 imposed. The taxes shall be imposed only on use within the

1 metropolitan region and at rates as provided in the paragraph.

2 (l) The Board in imposing any tax as provided in paragraphs
3 (b) and (c) of this Section, shall, after seeking the advice of
4 the State Department of Revenue, provide means for retailers,
5 users or purchasers of motor fuel for purposes other than those
6 with regard to which the taxes may be imposed as provided in
7 those paragraphs to receive refunds of taxes improperly paid,
8 which provisions may be at variance with the refund provisions
9 as applicable under the Municipal Retailers Occupation Tax Act.
10 The State Department of Revenue may provide for certificates of
11 registration for users or purchasers of motor fuel for purposes
12 other than those with regard to which taxes may be imposed as
13 provided in paragraphs (b) and (c) of this Section to
14 facilitate the reporting and nontaxability of the exempt sales
15 or uses.

16 (m) Any ordinance imposing or discontinuing any tax under
17 this Section shall be adopted and a certified copy thereof
18 filed with the Department on or before June 1, whereupon the
19 Department of Revenue shall proceed to administer and enforce
20 this Section on behalf of the Regional Transportation Authority
21 as of September 1 next following such adoption and filing.
22 Beginning January 1, 1992, an ordinance or resolution imposing
23 or discontinuing the tax hereunder shall be adopted and a
24 certified copy thereof filed with the Department on or before
25 the first day of July, whereupon the Department shall proceed
26 to administer and enforce this Section as of the first day of

1 October next following such adoption and filing. Beginning
2 January 1, 1993, an ordinance or resolution imposing,
3 increasing, decreasing, or discontinuing the tax hereunder
4 shall be adopted and a certified copy thereof filed with the
5 Department ~~on or before the first day of October,~~ whereupon the
6 Department shall proceed to administer and enforce this Section
7 as of the first day of the first month to occur not less than 60
8 days ~~January next~~ following such adoption and filing.

9 (n) The State Department of Revenue shall, upon collecting
10 any taxes as provided in this Section, pay the taxes over to
11 the State Treasurer as trustee for the Authority. The taxes
12 shall be held in a trust fund outside the State Treasury. On or
13 before the 25th day of each calendar month, the State
14 Department of Revenue shall prepare and certify to the
15 Comptroller of the State of Illinois and ~~the amount to be paid~~
16 ~~to the Authority, which shall be the then balance in the fund,~~
17 ~~less any amount determined by the Department to be necessary~~
18 ~~for the payment of refunds. The State Department of Revenue~~
19 ~~shall also certify~~ to the Authority (i) the amount of taxes
20 collected in each County other than Cook County in the
21 metropolitan region, (ii) ~~less the amount necessary for the~~
22 ~~payment of refunds to taxpayers in the County. With regard to~~
23 ~~the County of Cook, the certification shall specify~~ the amount
24 of taxes collected within the City of Chicago, less the amount
25 ~~necessary for the payment of refunds to taxpayers in the City~~
26 ~~of Chicago~~ and (iii) the amount collected in that portion of

1 Cook County outside of Chicago, each amount less the amount
2 necessary for the payment of refunds to taxpayers located in
3 those areas described in items (i), (ii), and (iii) in that
4 ~~portion of Cook County outside of Chicago~~. Within 10 days after
5 receipt by the Comptroller of the certification of the amounts
6 ~~amount to be paid to the Authority~~, the Comptroller shall cause
7 an order to be drawn for the payment of two-thirds of the
8 amounts certified in item (i) of this subsection to the
9 Authority and one-third of the amounts certified in item (i) of
10 this subsection to the respective counties other than Cook
11 County and the amount certified in items (ii) and (iii) of this
12 subsection to the Authority ~~for the amount in accordance with~~
13 ~~the direction in the certification.~~

14 In addition to the disbursement required by the preceding
15 paragraph, an allocation shall be made in July 1991 and each
16 year thereafter to the Regional Transportation Authority. The
17 allocation shall be made in an amount equal to the average
18 monthly distribution during the preceding calendar year
19 (excluding the 2 months of lowest receipts) and the allocation
20 shall include the amount of average monthly distribution from
21 the Regional Transportation Authority Occupation and Use Tax
22 Replacement Fund. The distribution made in July 1992 and each
23 year thereafter under this paragraph and the preceding
24 paragraph shall be reduced by the amount allocated and
25 disbursed under this paragraph in the preceding calendar year.
26 The Department of Revenue shall prepare and certify to the

1 Comptroller for disbursement the allocations made in
2 accordance with this paragraph.

3 (o) Failure to adopt a budget ordinance or otherwise to
4 comply with Section 4.01 of this Act or to adopt a Five-year
5 Capital Program or otherwise to comply with paragraph (b) of
6 Section 2.01 of this Act shall not affect the validity of any
7 tax imposed by the Authority otherwise in conformity with law.

8 (p) At no time shall a public transportation tax or motor
9 vehicle parking tax authorized under paragraphs (b), (c) and
10 (d) of this Section be in effect at the same time as any
11 retailers' occupation, use or service occupation tax
12 authorized under paragraphs (e), (f) and (g) of this Section is
13 in effect.

14 Any taxes imposed under the authority provided in
15 paragraphs (b), (c) and (d) shall remain in effect only until
16 the time as any tax authorized by paragraphs (e), (f) or (g) of
17 this Section are imposed and becomes effective. Once any tax
18 authorized by paragraphs (e), (f) or (g) is imposed the Board
19 may not reimpose taxes as authorized in paragraphs (b), (c) and
20 (d) of the Section unless any tax authorized by paragraphs (e),
21 (f) or (g) of this Section becomes ineffective by means other
22 than an ordinance of the Board.

23 (q) Any existing rights, remedies and obligations
24 (including enforcement by the Regional Transportation
25 Authority) arising under any tax imposed under paragraphs (b),
26 (c) or (d) of this Section shall not be affected by the

1 imposition of a tax under paragraphs (e), (f) or (g) of this
2 Section.

3 (Source: P.A. 92-221, eff. 8-2-01; 92-651, eff. 7-11-02;
4 93-1068, eff. 1-15-05.)

5 (70 ILCS 3615/4.04) (from Ch. 111 2/3, par. 704.04)

6 Sec. 4.04. Issuance and Pledge of Bonds and Notes.

7 (a) The Authority shall have the continuing power to borrow
8 money and to issue its negotiable bonds or notes as provided in
9 this Section. Unless otherwise indicated in this Section, the
10 term "notes" also includes bond anticipation notes, which are
11 notes which by their terms provide for their payment from the
12 proceeds of bonds thereafter to be issued. Bonds or notes of
13 the Authority may be issued for any or all of the following
14 purposes: to pay costs to the Authority or a Service Board of
15 constructing or acquiring any public transportation facilities
16 (including funds and rights relating thereto, as provided in
17 Section 2.05 of this Act); to repay advances to the Authority
18 or a Service Board made for such purposes; to pay other
19 expenses of the Authority or a Service Board incident to or
20 incurred in connection with such construction or acquisition;
21 to provide funds for any transportation agency to pay principal
22 of or interest or redemption premium on any bonds or notes,
23 whether as such amounts become due or by earlier redemption,
24 issued prior to the date of this amendatory Act by such
25 transportation agency to construct or acquire public

1 transportation facilities or to provide funds to purchase such
2 bonds or notes; and to provide funds for any transportation
3 agency to construct or acquire any public transportation
4 facilities, to repay advances made for such purposes, and to
5 pay other expenses incident to or incurred in connection with
6 such construction or acquisition; and to provide funds for
7 payment of obligations, including the funding of reserves,
8 under any self-insurance plan or joint self-insurance pool or
9 entity.

10 In addition to any other borrowing as may be authorized by
11 this Section, the Authority may issue its notes, from time to
12 time, in anticipation of tax receipts of the Authority or of
13 other revenues or receipts of the Authority, in order to
14 provide money for the Authority or the Service Boards to cover
15 any cash flow deficit which the Authority or a Service Board
16 anticipates incurring. Any such notes are referred to in this
17 Section as "Working Cash Notes". No Working Cash Notes shall be
18 issued for a term of longer than 24 ~~18~~ months. Proceeds of
19 Working Cash Notes may be used to pay day to day operating
20 expenses of the Authority or the Service Boards, consisting of
21 wages, salaries and fringe benefits, professional and
22 technical services (including legal, audit, engineering and
23 other consulting services), office rental, furniture, fixtures
24 and equipment, insurance premiums, claims for self-insured
25 amounts under insurance policies, public utility obligations
26 for telephone, light, heat and similar items, travel expenses,

1 office supplies, postage, dues, subscriptions, public hearings
2 and information expenses, fuel purchases, and payments of
3 grants and payments under purchase of service agreements for
4 operations of transportation agencies, prior to the receipt by
5 the Authority or a Service Board from time to time of funds for
6 paying such expenses. In addition to any Working Cash Notes
7 that the Board of the Authority may determine to issue, the
8 Suburban Bus Board, the Commuter Rail Board or the Board of the
9 Chicago Transit Authority may demand and direct that the
10 Authority issue its Working Cash Notes in such amounts and
11 having such maturities as the Service Board may determine.

12 Notwithstanding any other provision of this Act, any
13 amounts necessary to pay principal of and interest on any
14 Working Cash Notes issued at the demand and direction of a
15 Service Board or any Working Cash Notes the proceeds of which
16 were used for the direct benefit of a Service Board or any
17 other Bonds or Notes of the Authority the proceeds of which
18 were used for the direct benefit of a Service Board shall
19 constitute a reduction of the amount of any other funds
20 provided by the Authority to that Service Board. The Authority
21 shall, after deducting any costs of issuance, tender the net
22 proceeds of any Working Cash Notes issued at the demand and
23 direction of a Service Board to such Service Board as soon as
24 may be practicable after the proceeds are received. The
25 Authority may also issue notes or bonds to pay, refund or
26 redeem any of its notes and bonds, including to pay redemption

1 premiums or accrued interest on such bonds or notes being
2 renewed, paid or refunded, and other costs in connection
3 therewith. The Authority may also utilize the proceeds of any
4 such bonds or notes to pay the legal, financial, administrative
5 and other expenses of such authorization, issuance, sale or
6 delivery of bonds or notes or to provide or increase a debt
7 service reserve fund with respect to any or all of its bonds or
8 notes. The Authority may also issue and deliver its bonds or
9 notes in exchange for any public transportation facilities,
10 (including funds and rights relating thereto, as provided in
11 Section 2.05 of this Act) or in exchange for outstanding bonds
12 or notes of the Authority, including any accrued interest or
13 redemption premium thereon, without advertising or submitting
14 such notes or bonds for public bidding.

15 (b) The ordinance providing for the issuance of any such
16 bonds or notes shall fix the date or dates of maturity, the
17 dates on which interest is payable, any sinking fund account or
18 reserve fund account provisions and all other details of such
19 bonds or notes and may provide for such covenants or agreements
20 necessary or desirable with regard to the issue, sale and
21 security of such bonds or notes. The rate or rates of interest
22 on its bonds or notes may be fixed or variable and the
23 Authority shall determine or provide for the determination of
24 the rate or rates of interest of its bonds or notes issued
25 under this Act in an ordinance adopted by the Authority prior
26 to the issuance thereof, none of which rates of interest shall

1 exceed that permitted in the Bond Authorization Act. Interest
2 may be payable at such times as are provided for by the Board.
3 Bonds and notes issued under this Section may be issued as
4 serial or term obligations, shall be of such denomination or
5 denominations and form, including interest coupons to be
6 attached thereto, be executed in such manner, shall be payable
7 at such place or places and bear such date as the Authority
8 shall fix by the ordinance authorizing such bond or note and
9 shall mature at such time or times, within a period not to
10 exceed forty years from the date of issue, and may be
11 redeemable prior to maturity with or without premium, at the
12 option of the Authority, upon such terms and conditions as the
13 Authority shall fix by the ordinance authorizing the issuance
14 of such bonds or notes. No bond anticipation note or any
15 renewal thereof shall mature at any time or times exceeding 5
16 years from the date of the first issuance of such note. The
17 Authority may provide for the registration of bonds or notes in
18 the name of the owner as to the principal alone or as to both
19 principal and interest, upon such terms and conditions as the
20 Authority may determine. The ordinance authorizing bonds or
21 notes may provide for the exchange of such bonds or notes which
22 are fully registered, as to both principal and interest, with
23 bonds or notes which are registerable as to principal only. All
24 bonds or notes issued under this Section by the Authority other
25 than those issued in exchange for property or for bonds or
26 notes of the Authority shall be sold at a price which may be at

1 a premium or discount but such that the interest cost
2 (excluding any redemption premium) to the Authority of the
3 proceeds of an issue of such bonds or notes, computed to stated
4 maturity according to standard tables of bond values, shall not
5 exceed that permitted in the Bond Authorization Act. The
6 Authority shall notify the Governor's Office of Management and
7 Budget and the State Comptroller at least 30 days before any
8 bond sale and shall file with the Governor's Office of
9 Management and Budget and the State Comptroller a certified
10 copy of any ordinance authorizing the issuance of bonds at or
11 before the issuance of the bonds. After December 31, 1994, any
12 such bonds or notes shall be sold to the highest and best
13 bidder on sealed bids as the Authority shall deem. As such
14 bonds or notes are to be sold the Authority shall advertise for
15 proposals to purchase the bonds or notes which advertisement
16 shall be published at least once in a daily newspaper of
17 general circulation published in the metropolitan region at
18 least 10 days before the time set for the submission of bids.
19 The Authority shall have the right to reject any or all bids.
20 Notwithstanding any other provisions of this Section, Working
21 Cash Notes or bonds or notes to provide funds for
22 self-insurance or a joint self-insurance pool or entity may be
23 sold either upon competitive bidding or by negotiated sale
24 (without any requirement of publication of intention to
25 negotiate the sale of such Notes), as the Board shall determine
26 by ordinance adopted with the affirmative votes of at least 9 ~~7~~

1 Directors. In case any officer whose signature appears on any
2 bonds, notes or coupons authorized pursuant to this Section
3 shall cease to be such officer before delivery of such bonds or
4 notes, such signature shall nevertheless be valid and
5 sufficient for all purposes, the same as if such officer had
6 remained in office until such delivery. Neither the Directors
7 of the Authority nor any person executing any bonds or notes
8 thereof shall be liable personally on any such bonds or notes
9 or coupons by reason of the issuance thereof.

10 (c) All bonds or notes of the Authority issued pursuant to
11 this Section shall be general obligations of the Authority to
12 which shall be pledged the full faith and credit of the
13 Authority, as provided in this Section. Such bonds or notes
14 shall be secured as provided in the authorizing ordinance,
15 which may, notwithstanding any other provision of this Act,
16 include in addition to any other security, a specific pledge or
17 assignment of and lien on or security interest in any or all
18 tax receipts of the Authority and on any or all other revenues
19 or moneys of the Authority from whatever source, which may by
20 law be utilized for debt service purposes and a specific pledge
21 or assignment of and lien on or security interest in any funds
22 or accounts established or provided for by the ordinance of the
23 Authority authorizing the issuance of such bonds or notes. Any
24 such pledge, assignment, lien or security interest for the
25 benefit of holders of bonds or notes of the Authority shall be
26 valid and binding from the time the bonds or notes are issued

1 without any physical delivery or further act and shall be valid
2 and binding as against and prior to the claims of all other
3 parties having claims of any kind against the Authority or any
4 other person irrespective of whether such other parties have
5 notice of such pledge, assignment, lien or security interest.
6 The obligations of the Authority incurred pursuant to this
7 Section shall be superior to and have priority over any other
8 obligations of the Authority.

9 The Authority may provide in the ordinance authorizing the
10 issuance of any bonds or notes issued pursuant to this Section
11 for the creation of, deposits in, and regulation and
12 disposition of sinking fund or reserve accounts relating to
13 such bonds or notes. The ordinance authorizing the issuance of
14 any bonds or notes pursuant to this Section may contain
15 provisions as part of the contract with the holders of the
16 bonds or notes, for the creation of a separate fund to provide
17 for the payment of principal and interest on such bonds or
18 notes and for the deposit in such fund from any or all the tax
19 receipts of the Authority and from any or all such other moneys
20 or revenues of the Authority from whatever source which may by
21 law be utilized for debt service purposes, all as provided in
22 such ordinance, of amounts to meet the debt service
23 requirements on such bonds or notes, including principal and
24 interest, and any sinking fund or reserve fund account
25 requirements as may be provided by such ordinance, and all
26 expenses incident to or in connection with such fund and

1 accounts or the payment of such bonds or notes. Such ordinance
2 may also provide limitations on the issuance of additional
3 bonds or notes of the Authority. No such bonds or notes of the
4 Authority shall constitute a debt of the State of Illinois.
5 Nothing in this Act shall be construed to enable the Authority
6 to impose any ad valorem tax on property.

7 (d) The ordinance of the Authority authorizing the issuance
8 of any bonds or notes may provide additional security for such
9 bonds or notes by providing for appointment of a corporate
10 trustee (which may be any trust company or bank having the
11 powers of a trust company within the state) with respect to
12 such bonds or notes. The ordinance shall prescribe the rights,
13 duties and powers of the trustee to be exercised for the
14 benefit of the Authority and the protection of the holders of
15 such bonds or notes. The ordinance may provide for the trustee
16 to hold in trust, invest and use amounts in funds and accounts
17 created as provided by the ordinance with respect to the bonds
18 or notes. The ordinance may provide for the assignment and
19 direct payment to the trustee of any or all amounts produced
20 from the sources provided in Section 4.03 and Section 4.09 of
21 this Act and provided in Section 6z-17 of "An Act in relation
22 to State finance", approved June 10, 1919, as amended. Upon
23 receipt of notice of any such assignment, the Department of
24 Revenue and the Comptroller of the State of Illinois shall
25 thereafter, notwithstanding the provisions of Section 4.03 and
26 Section 4.09 of this Act and Section 6z-17 of "An Act in

1 relation to State finance", approved June 10, 1919, as amended,
2 provide for such assigned amounts to be paid directly to the
3 trustee instead of the Authority, all in accordance with the
4 terms of the ordinance making the assignment. The ordinance
5 shall provide that amounts so paid to the trustee which are not
6 required to be deposited, held or invested in funds and
7 accounts created by the ordinance with respect to bonds or
8 notes or used for paying bonds or notes to be paid by the
9 trustee to the Authority.

10 (e) Any bonds or notes of the Authority issued pursuant to
11 this Section shall constitute a contract between the Authority
12 and the holders from time to time of such bonds or notes. In
13 issuing any bond or note, the Authority may include in the
14 ordinance authorizing such issue a covenant as part of the
15 contract with the holders of the bonds or notes, that as long
16 as such obligations are outstanding, it shall make such
17 deposits, as provided in paragraph (c) of this Section. It may
18 also so covenant that it shall impose and continue to impose
19 taxes, as provided in Section 4.03 of this Act and in addition
20 thereto as subsequently authorized by law, sufficient to make
21 such deposits and pay the principal and interest and to meet
22 other debt service requirements of such bonds or notes as they
23 become due. A certified copy of the ordinance authorizing the
24 issuance of any such obligations shall be filed at or prior to
25 the issuance of such obligations with the Comptroller of the
26 State of Illinois and the Illinois Department of Revenue.

1 (f) The State of Illinois pledges to and agrees with the
2 holders of the bonds and notes of the Authority issued pursuant
3 to this Section that the State will not limit or alter the
4 rights and powers vested in the Authority by this Act so as to
5 impair the terms of any contract made by the Authority with
6 such holders or in any way impair the rights and remedies of
7 such holders until such bonds and notes, together with interest
8 thereon, with interest on any unpaid installments of interest,
9 and all costs and expenses in connection with any action or
10 proceedings by or on behalf of such holders, are fully met and
11 discharged. In addition, the State pledges to and agrees with
12 the holders of the bonds and notes of the Authority issued
13 pursuant to this Section that the State will not limit or alter
14 the basis on which State funds are to be paid to the Authority
15 as provided in this Act, or the use of such funds, so as to
16 impair the terms of any such contract. The Authority is
17 authorized to include these pledges and agreements of the State
18 in any contract with the holders of bonds or notes issued
19 pursuant to this Section.

20 (g) (1) Except as provided in subdivisions (g)(2) and
21 (g)(3) of Section 4.04 of this Act, the Authority shall not
22 at any time issue, sell or deliver any bonds or notes
23 (other than Working Cash Notes) pursuant to this Section
24 4.04 which will cause it to have issued and outstanding at
25 any time in excess of \$800,000,000 of such bonds and notes
26 (other than Working Cash Notes). The Authority shall not at

1 any time issue, sell, or deliver any Working Cash Notes
2 pursuant to this Section that will cause it to have issued
3 and outstanding at any time in excess of \$100,000,000.

4 Notwithstanding the foregoing, before January 1, 2009, the
5 Authority may issue and have outstanding an additional
6 \$300,000,000 in Working Cash Notes, provided that no such
7 note shall mature later than December 31, 2010. ~~The~~

8 ~~Authority shall not at any time issue, sell or deliver any~~
9 ~~Working Cash Notes pursuant to this Section which will~~
10 ~~cause it to have issued and outstanding at any time in~~
11 ~~excess of \$100,000,000 of Working Cash Notes.~~ Bonds or

12 notes which are being paid or retired by such issuance,
13 sale or delivery of bonds or notes, and bonds or notes for
14 which sufficient funds have been deposited with the paying
15 agency of such bonds or notes to provide for payment of
16 principal and interest thereon or to provide for the
17 redemption thereof, all pursuant to the ordinance
18 authorizing the issuance of such bonds or notes, shall not
19 be considered to be outstanding for the purposes of the
20 first two sentences of this subsection.

21 (2) In addition to the authority provided by paragraphs
22 (1) and (3), the Authority is authorized to issue, sell and
23 deliver bonds or notes for Strategic Capital Improvement
24 Projects approved pursuant to Section 4.13 as follows:

25 \$100,000,000 is authorized to be issued on or after
26 January 1, 1990;

1 an additional \$100,000,000 is authorized to be issued
2 on or after January 1, 1991;

3 an additional \$100,000,000 is authorized to be issued
4 on or after January 1, 1992;

5 an additional \$100,000,000 is authorized to be issued
6 on or after January 1, 1993;

7 an additional \$100,000,000 is authorized to be issued
8 on or after January 1, 1994; and

9 the aggregate total authorization of bonds and notes
10 for Strategic Capital Improvement Projects as of January 1,
11 1994, shall be \$500,000,000.

12 The Authority is also authorized to issue, sell, and
13 deliver bonds or notes in such amounts as are necessary to
14 provide for the refunding or advance refunding of bonds or
15 notes issued for Strategic Capital Improvement Projects
16 under this subdivision (g)(2), provided that no such
17 refunding bond or note shall mature later than the final
18 maturity date of the series of bonds or notes being
19 refunded, and provided further that the debt service
20 requirements for such refunding bonds or notes in the
21 current or any future fiscal year shall not exceed the debt
22 service requirements for that year on the refunded bonds or
23 notes.

24 (3) In addition to the authority provided by paragraphs
25 (1) and (2), the Authority is authorized to issue, sell,
26 and deliver bonds or notes for Strategic Capital

1 Improvement Projects approved pursuant to Section 4.13 as
2 follows:

3 \$260,000,000 is authorized to be issued on or after
4 January 1, 2000;

5 an additional \$260,000,000 is authorized to be issued
6 on or after January 1, 2001;

7 an additional \$260,000,000 is authorized to be issued
8 on or after January 1, 2002;

9 an additional \$260,000,000 is authorized to be issued
10 on or after January 1, 2003;

11 an additional \$260,000,000 is authorized to be issued
12 on or after January 1, 2004; and

13 the aggregate total authorization of bonds and notes
14 for Strategic Capital Improvement Projects pursuant to
15 this paragraph (3) as of January 1, 2004 shall be
16 \$1,300,000,000.

17 The Authority is also authorized to issue, sell, and
18 deliver bonds or notes in such amounts as are necessary to
19 provide for the refunding or advance refunding of bonds or
20 notes issued for Strategic Capital Improvement projects
21 under this subdivision (g)(3), provided that no such
22 refunding bond or note shall mature later than the final
23 maturity date of the series of bonds or notes being
24 refunded, and provided further that the debt service
25 requirements for such refunding bonds or notes in the
26 current or any future fiscal year shall not exceed the debt

1 service requirements for that year on the refunded bonds or
2 notes.

3 (h) The Authority, subject to the terms of any agreements
4 with noteholders or bond holders as may then exist, shall have
5 power, out of any funds available therefor, to purchase notes
6 or bonds of the Authority, which shall thereupon be cancelled.

7 (i) In addition to any other authority granted by law, the
8 State Treasurer may, with the approval of the Governor, invest
9 or reinvest, at a price not to exceed par, any State money in
10 the State Treasury which is not needed for current expenditures
11 due or about to become due in Working Cash Notes.

12 (Source: P.A. 94-793, eff. 5-19-06.)

13 (70 ILCS 3615/4.09) (from Ch. 111 2/3, par. 704.09)

14 Sec. 4.09. Public Transportation Fund and the Regional
15 Transportation Authority Occupation and Use Tax Replacement
16 Fund.

17 (a) (1) ~~(a) As soon as possible after the first day of each~~
18 ~~month, beginning November 1, 1983, the Comptroller shall order~~
19 ~~transferred and the Treasurer shall transfer from the General~~
20 ~~Revenue Fund to a special fund in the State Treasury, to be~~
21 ~~known as the "Public Transportation Fund" \$9,375,000 for each~~
22 ~~month remaining in State fiscal year 1984.~~ As soon as possible
23 after the first day of each month, beginning July 1, 1984, upon
24 certification of the Department of Revenue, the Comptroller
25 shall order transferred and the Treasurer shall transfer from

1 the General Revenue Fund to the Public Transportation Fund an
2 amount equal to 25% of the net revenue, before the deduction of
3 the serviceman and retailer discounts pursuant to Section 9 of
4 the Service Occupation Tax Act and Section 3 of the Retailers'
5 Occupation Tax Act, realized from any tax imposed by the
6 Authority pursuant to Sections 4.03 and 4.03.1 and 25% of the
7 amounts deposited into the Regional Transportation Authority
8 tax fund created by Section 4.03 of this Act, from the County
9 and Mass Transit District Fund as provided in Section 6z-20 of
10 the State Finance Act and 25% of the amounts deposited into the
11 Regional Transportation Authority Occupation and Use Tax
12 Replacement Fund from the State and Local Sales Tax Reform Fund
13 as provided in Section 6z-17 of the State Finance Act. Net
14 revenue realized for a month shall be the revenue collected by
15 the State pursuant to Sections 4.03 and 4.03.1 during the
16 previous month from within the metropolitan region, less the
17 amount paid out during that same month as refunds to taxpayers
18 for overpayment of liability in the metropolitan region under
19 Sections 4.03 and 4.03.1.

20 (b)(1) All moneys deposited in the Public Transportation
21 Fund and the Regional Transportation Authority Occupation and
22 Use Tax Replacement Fund, whether deposited pursuant to this
23 Section or otherwise, are allocated to the Authority. Pursuant
24 to appropriation, the Comptroller, as soon as possible after
25 each monthly transfer provided in this Section and after each
26 deposit into the Public Transportation Fund, shall order the

1 Treasurer to pay to the Authority out of the Public
2 Transportation Fund the amount so transferred or deposited.
3 ~~Such amounts paid to the Authority may be expended by it for~~
4 ~~its purposes as provided in this Act.~~ Subject to appropriation
5 to the Department of Revenue, the Comptroller, as soon as
6 possible after each deposit into the Regional Transportation
7 Authority Occupation and Use Tax Replacement Fund provided in
8 this Section and Section 6z-17 of the State Finance Act, shall
9 order the Treasurer to pay to the Authority out of the Regional
10 Transportation Authority Occupation and Use Tax Replacement
11 Fund the amount so deposited. Such amounts paid to the
12 Authority may be expended by it for its purposes as provided in
13 this Act. (2) Provided, however, no moneys deposited under
14 subsection (a) of this Section shall be paid from the Public
15 Transportation Fund to the Authority or its assignee for any
16 fiscal year ~~beginning after the effective date of this~~
17 ~~amendatory Act of 1983~~ until the Authority has certified to the
18 Governor, the Comptroller, and the Mayor of the City of Chicago
19 that it has adopted for that fiscal year an Annual Budget and
20 Two-Year Financial Plan ~~a budget and financial plan~~ meeting the
21 requirements in Section 4.01(b).

22 (c) In recognition of the efforts of the Authority to
23 enhance the mass transportation facilities under its control,
24 the State shall provide financial assistance ("Additional
25 State Assistance") in excess of the amounts transferred to the
26 Authority from the General Revenue Fund under subsection (a) of

1 this Section. Additional State Assistance shall be calculated
2 as provided in subsection (d), but shall in no event exceed the
3 following specified amounts with respect to the following State
4 fiscal years:

5	1990	\$5,000,000;
6	1991	\$5,000,000;
7	1992	\$10,000,000;
8	1993	\$10,000,000;
9	1994	\$20,000,000;
10	1995	\$30,000,000;
11	1996	\$40,000,000;
12	1997	\$50,000,000;
13	1998	\$55,000,000; and
14	each year thereafter	\$55,000,000.

15 (c-5) The State shall provide financial assistance
16 ("Additional Financial Assistance") in addition to the
17 Additional State Assistance provided by subsection (c) and the
18 amounts transferred to the Authority from the General Revenue
19 Fund under subsection (a) of this Section. Additional Financial
20 Assistance provided by this subsection shall be calculated as
21 provided in subsection (d), but shall in no event exceed the
22 following specified amounts with respect to the following State
23 fiscal years:

24	2000	\$0;
25	2001	\$16,000,000;
26	2002	\$35,000,000;

1 2003 \$54,000,000;
2 2004 \$73,000,000;
3 2005 \$93,000,000; and
4 each year thereafter \$100,000,000.

5 (d) Beginning with State fiscal year 1990 and continuing
6 for each State fiscal year thereafter, the Authority shall
7 annually certify to the State Comptroller and State Treasurer,
8 separately with respect to each of subdivisions (g)(2) and
9 (g)(3) of Section 4.04 of this Act, the following amounts:

10 (1) The amount necessary and required, during the State
11 fiscal year with respect to which the certification is
12 made, to pay its obligations for debt service on all
13 outstanding bonds or notes issued by the Authority under
14 subdivisions (g)(2) and (g)(3) of Section 4.04 of this Act.

15 (2) An estimate of the amount necessary and required to
16 pay its obligations for debt service for any bonds or notes
17 which the Authority anticipates it will issue under
18 subdivisions (g)(2) and (g)(3) of Section 4.04 during that
19 State fiscal year.

20 (3) Its debt service savings during the preceding State
21 fiscal year from refunding or advance refunding of bonds or
22 notes issued under subdivisions (g)(2) and (g)(3) of
23 Section 4.04.

24 (4) The amount of interest, if any, earned by the
25 Authority during the previous State fiscal year on the
26 proceeds of bonds or notes issued pursuant to subdivisions

1 (g) (2) and (g) (3) of Section 4.04, other than refunding or
2 advance refunding bonds or notes.

3 The certification shall include a specific schedule of debt
4 service payments, including the date and amount of each payment
5 for all outstanding bonds or notes and an estimated schedule of
6 anticipated debt service for all bonds and notes it intends to
7 issue, if any, during that State fiscal year, including the
8 estimated date and estimated amount of each payment.

9 Immediately upon the issuance of bonds for which an
10 estimated schedule of debt service payments was prepared, the
11 Authority shall file an amended certification with respect to
12 item (2) above, to specify the actual schedule of debt service
13 payments, including the date and amount of each payment, for
14 the remainder of the State fiscal year.

15 On the first day of each month of the State fiscal year in
16 which there are bonds outstanding with respect to which the
17 certification is made, the State Comptroller shall order
18 transferred and the State Treasurer shall transfer from the
19 General Revenue Fund to the Public Transportation Fund the
20 Additional State Assistance and Additional Financial
21 Assistance in an amount equal to the aggregate of (i)
22 one-twelfth of the sum of the amounts certified under items (1)
23 and (3) above less the amount certified under item (4) above,
24 plus (ii) the amount required to pay debt service on bonds and
25 notes issued during the fiscal year, if any, divided by the
26 number of months remaining in the fiscal year after the date of

1 issuance, or some smaller portion as may be necessary under
2 subsection (c) or (c-5) of this Section for the relevant State
3 fiscal year, plus (iii) any cumulative deficiencies in
4 transfers for prior months, until an amount equal to the sum of
5 the amounts certified under items (1) and (3) above, plus the
6 actual debt service certified under item (2) above, less the
7 amount certified under item (4) above, has been transferred;
8 except that these transfers are subject to the following
9 limits:

10 (A) In no event shall the total transfers in any State
11 fiscal year relating to outstanding bonds and notes issued
12 by the Authority under subdivision (g)(2) of Section 4.04
13 exceed the lesser of the annual maximum amount specified in
14 subsection (c) or the sum of the amounts certified under
15 items (1) and (3) above, plus the actual debt service
16 certified under item (2) above, less the amount certified
17 under item (4) above, with respect to those bonds and
18 notes.

19 (B) In no event shall the total transfers in any State
20 fiscal year relating to outstanding bonds and notes issued
21 by the Authority under subdivision (g)(3) of Section 4.04
22 exceed the lesser of the annual maximum amount specified in
23 subsection (c-5) or the sum of the amounts certified under
24 items (1) and (3) above, plus the actual debt service
25 certified under item (2) above, less the amount certified
26 under item (4) above, with respect to those bonds and

1 notes.

2 The term "outstanding" does not include bonds or notes for
3 which refunding or advance refunding bonds or notes have been
4 issued.

5 (e) Neither Additional State Assistance nor Additional
6 Financial Assistance may be pledged, either directly or
7 indirectly as general revenues of the Authority, as security
8 for any bonds issued by the Authority. The Authority may not
9 assign its right to receive Additional State Assistance or
10 Additional Financial Assistance, or direct payment of
11 Additional State Assistance or Additional Financial
12 Assistance, to a trustee or any other entity for the payment of
13 debt service on its bonds.

14 (f) The certification required under subsection (d) with
15 respect to outstanding bonds and notes of the Authority shall
16 be filed as early as practicable before the beginning of the
17 State fiscal year to which it relates. The certification shall
18 be revised as may be necessary to accurately state the debt
19 service requirements of the Authority.

20 (g) Within 6 months of the end of ~~the 3 month period ending~~
21 ~~December 31, 1983, and~~ each fiscal year ~~thereafter~~, the
22 Authority shall determine:

23 (i) whether the aggregate of all system generated
24 revenues for public transportation in the metropolitan
25 region which is provided by, or under grant or purchase of
26 service contracts with, the Service Boards equals 50% of

1 the aggregate of all costs of providing such public
2 transportation. "System generated revenues" include all
3 the proceeds of fares and charges for services provided,
4 contributions received in connection with public
5 transportation from units of local government other than
6 the Authority, except for contributions received by the
7 Chicago Transit Authority from a real estate transfer tax
8 imposed under subsection (i) of Section 8-3-19 of the
9 Illinois Municipal Code, and from the State pursuant to
10 subsection (i) of Section 2705-305 of the Department of
11 Transportation Law (20 ILCS 2705/2705-305), and all other
12 revenues properly included consistent with generally
13 accepted accounting principles but may not include: the
14 proceeds from any borrowing, and, beginning with the 2007
15 fiscal year, all revenues and receipts, including but not
16 limited to fares and grants received from the federal,
17 State or any unit of local government or other entity,
18 derived from providing ADA paratransit service pursuant to
19 Section 2.30 of the Regional Transportation Authority Act.
20 "Costs" include all items properly included as operating
21 costs consistent with generally accepted accounting
22 principles, including administrative costs, but do not
23 include: depreciation; payment of principal and interest
24 on bonds, notes or other evidences of obligations for
25 borrowed money of the Authority; payments with respect to
26 public transportation facilities made pursuant to

1 subsection (b) of Section 2.20; any payments with respect
2 to rate protection contracts, credit enhancements or
3 liquidity agreements made under Section 4.14; any other
4 cost as to which it is reasonably expected that a cash
5 expenditure will not be made; costs ~~up to \$5,000,000~~
6 ~~annually~~ for passenger security including grants,
7 contracts, personnel, equipment and administrative
8 expenses, except in the case of the Chicago Transit
9 Authority, in which case the term does not include costs
10 spent annually by that entity for protection against crime
11 as required by Section 27a of the Metropolitan Transit
12 Authority Act; the costs of Debt Service paid by the
13 Chicago Transit Authority, as defined in Section 12c of the
14 Metropolitan Transit Authority Act, or bonds or notes
15 issued pursuant to that Section; the payment by the
16 Commuter Rail Division of debt service on bonds issued
17 pursuant to Section 3B.09; expenses incurred by the
18 Suburban Bus Division for the cost of new public
19 transportation services funded from grants pursuant to
20 Section 2.01e of this amendatory Act of the 95th General
21 Assembly for a period of 2 years from the date of
22 initiation of each such service; costs as exempted by the
23 Board for projects pursuant to Section 2.09 of this Act;
24 or, beginning with the 2007 fiscal year, expenses related
25 to providing ADA paratransit service pursuant to Section
26 2.30 of the Regional Transportation Authority Act; or in

1 fiscal years 2008 through 2017 inclusive, costs in the
2 amount of \$200,000,000 in fiscal year 2008, reducing by
3 \$20,000,000 in each fiscal year thereafter until this
4 exemption is eliminated. If said system generated revenues
5 are less than 50% of said costs, the Board shall remit an
6 amount equal to the amount of the deficit to the State. The
7 Treasurer shall deposit any such payment in the General
8 Revenue Fund; and

9 (ii) whether, beginning with the 2007 fiscal year, the
10 aggregate of all fares charged and received for ADA
11 paratransit services equals the system generated ADA
12 paratransit services revenue recovery ratio percentage of
13 the aggregate of all costs of providing such ADA
14 paratransit services.

15 (h) If the Authority makes any payment to the State under
16 paragraph (g), the Authority shall reduce the amount provided
17 to a Service Board from funds transferred under paragraph (a)
18 in proportion to the amount by which that Service Board failed
19 to meet its required system generated revenues recovery ratio.
20 A Service Board which is affected by a reduction in funds under
21 this paragraph shall submit to the Authority concurrently with
22 its next due quarterly report a revised budget incorporating
23 the reduction in funds. The revised budget must meet the
24 criteria specified in clauses (i) through (vi) of Section
25 4.11(b)(2). The Board shall review and act on the revised
26 budget as provided in Section 4.11(b)(3).

1 (Source: P.A. 94-370, eff. 7-29-05.)"; and

2 (70 ILCS 3615/4.11) (from Ch. 111 2/3, par. 704.11)

3 Sec. 4.11. Budget Review Powers.

4 (a) ~~The provisions of this Section shall only be applicable~~
5 ~~to financial periods beginning after December 31, 1983. The~~
6 ~~Transition Board shall adopt a timetable governing the~~
7 ~~certification of estimates and any submissions required under~~
8 ~~this Section for fiscal year 1984 which shall control over the~~
9 ~~provisions of this Act.~~ Based upon estimates which shall be
10 given to the Authority by the Director of the Governor's Office
11 of Management and Budget (formerly Bureau of the Budget) of the
12 receipts to be received by the Authority from the taxes imposed
13 by the Authority and the authorized estimates of amounts to be
14 available from State and other sources to the Service Boards,
15 and the times at which such receipts and amounts will be
16 available, the Board shall, not later than the next preceding
17 September 15th prior to the beginning of the Authority's next
18 fiscal year, advise each Service Board of the amounts estimated
19 by the Board to be available for such Service Board during such
20 fiscal year and the two following fiscal years and the times at
21 which such amounts will be available. The Board shall, at the
22 same time, also advise each Service Board of its required
23 system generated revenues recovery ratio for the next fiscal
24 year which shall be the percentage of the aggregate costs of
25 providing public transportation by or under jurisdiction of

1 that Service Board which must be recovered from system
2 generated revenues. The Board shall, at the same time,
3 beginning with the 2007 fiscal year, also advise each Service
4 Board that provides ADA paratransit services of its required
5 system generated ADA paratransit services revenue recovery
6 ratio for the next fiscal year which shall be the percentage of
7 the aggregate costs of providing ADA paratransit services by or
8 under jurisdiction of that Service Board which must be
9 recovered from fares charged for such services, except that
10 such required system generated ADA paratransit services
11 revenue recovery ratio shall not exceed the minimum percentage
12 established pursuant to Section 4.01(b)(ii) of this Act. In
13 determining a Service Board's system generated revenue
14 recovery ratio, the Board shall consider the historical system
15 generated revenues recovery ratio for the services subject to
16 the jurisdiction of that Service Board. The Board shall not
17 increase a Service Board's system generated revenues recovery
18 ratio for the next fiscal year over such ratio for the current
19 fiscal year disproportionately or prejudicially to increases
20 in such ratios for other Service Boards. The Board may, by
21 ordinance, provide that (i) the cost of research and
22 development projects in the fiscal year beginning January 1,
23 1986 and ending December 31, 1986 conducted pursuant to Section
24 2.09 of this Act, ~~and (ii) up to \$5,000,000 annually of the~~
25 costs for passenger security, and (iii) expenditures of amounts
26 granted to a Service Board from the Innovation, Coordination,

1 and Enhancement Fund for operating purposes may be exempted
2 from the farebox recovery ratio or the system generated
3 revenues recovery ratio of the Chicago Transit Authority, the
4 Suburban Bus Board, and the Commuter Rail Board, or any of
5 them. During fiscal years 2008 through 2017, the Board may also
6 allocate the exemption of \$200,000,000 and the reducing amounts
7 of costs provided by this amendatory Act of the 95th General
8 Assembly from the farebox recovery ratio or system generated
9 revenues recovery ratio of each Service Board. ~~For the fiscal~~
10 ~~year beginning January 1, 1986 and ending December 31, 1986,~~
11 ~~and for the fiscal year beginning January 1, 1987 and ending~~
12 ~~December 31, 1987, the Board shall, by ordinance, provide that:~~
13 ~~(1) the amount of a grant, pursuant to Section 2705-310 of the~~
14 ~~Department of Transportation Law (20 ILCS 2705/2705-310), from~~
15 ~~the Department of Transportation for the cost of services for~~
16 ~~the mobility limited provided by the Chicago Transit Authority,~~
17 ~~and (2) the amount of a grant, pursuant to Section 2705-310 of~~
18 ~~the Department of Transportation Law (20 ILCS 2705/2705-310),~~
19 ~~from the Department of Transportation for the cost of services~~
20 ~~for the mobility limited by the Suburban Bus Board or the~~
21 ~~Commuter Rail Board, be exempt from the farebox recovery ratio~~
22 ~~or the system generated revenues recovery ratio.~~

23 (b) (1) Not later than the next preceding November 15 prior
24 to the commencement of such fiscal year, each Service Board
25 shall submit to the Authority its proposed budget for such
26 fiscal year and its proposed financial plan for the two

1 following fiscal years. Such budget and financial plan shall
2 (i) be prepared in the format, follow the financial and
3 budgetary practices, and be based on any assumptions and
4 projections required by the Authority and (ii) not project or
5 assume a receipt of revenues from the Authority in amounts
6 greater than those set forth in the estimates provided by the
7 Authority pursuant to subsection (a) of this Section.

8 (2) The Board shall review the proposed budget and two-year
9 financial plan submitted by each Service Board, ~~and shall adopt~~
10 ~~a consolidated budget and financial plan.~~ The Board shall
11 approve the budget and two-year financial plan of a Service
12 Board if:

13 ~~(i) the Board has approved the proposed budget and cash~~
14 ~~flow plan for such fiscal year of each Service Board,~~
15 ~~pursuant to the conditions set forth in clauses (ii)~~
16 ~~through (vii) of this paragraph;~~

17 (i) ~~(ii)~~ such budget and plan show a balance between
18 (A) anticipated revenues from all sources including
19 operating subsidies and (B) the costs of providing the
20 services specified and of funding any operating deficits or
21 encumbrances incurred in prior periods, including
22 provision for payment when due of principal and interest on
23 outstanding indebtedness;

24 (ii) ~~(iii)~~ such budget and plan show cash balances
25 including the proceeds of any anticipated cash flow
26 borrowing sufficient to pay with reasonable promptness all

1 costs and expenses as incurred;

2 (iii) ~~(iv)~~ such budget and plan provide for a level of
3 fares or charges and operating or administrative costs for
4 the public transportation provided by or subject to the
5 jurisdiction of such Service Board sufficient to allow the
6 Service Board to meet its required system generated revenue
7 recovery ratio and, beginning with the 2007 fiscal year,
8 system generated ADA paratransit services revenue recovery
9 ratio;

10 (iv) ~~(v)~~ such budget and plan are based upon and employ
11 assumptions and projections which are reasonable and
12 prudent;

13 (v) ~~(vi)~~ such budget and plan have been prepared in
14 accordance with sound financial practices as determined by
15 the Board; ~~and~~

16 (vi) ~~(vii)~~ such budget and plan meet such other
17 financial, budgetary, or fiscal requirements that the
18 Board may by rule or regulation establish; and ~~;~~

19 (vii) such budget and plan are consistent with the
20 goals and objectives adopted by the Authority in the
21 Strategic Plan.

22 (3) (Blank) ~~In determining whether the budget and financial~~
23 ~~plan provide a level of fares or charges sufficient to allow a~~
24 ~~Service Board to meet its required system generated revenue~~
25 ~~recovery ratio and, beginning with the 2007 fiscal year, system~~
26 ~~generated ADA paratransit services revenue recovery ratio~~

1 ~~under clause (iv) in subparagraph (2), the Board shall allow a~~
2 ~~Service Board to carry over cash from farebox revenues to~~
3 ~~subsequent fiscal years.~~

4 (4) Unless the Board by an affirmative vote of 12 ~~9~~ of the
5 then Directors determines that the budget and financial plan of
6 a Service Board meets the criteria specified in clauses (i)
7 ~~(ii)~~ through (vii) of subparagraph (2) of this paragraph (b),
8 the Board shall withhold from ~~not release to~~ that Service Board
9 25% of any funds for the periods covered by such budget and
10 financial plan except for the cash proceeds of taxes imposed by
11 the Authority under Section 4.03 and Section 4.03.1 and
12 received after February 1 and 25% of the amounts transferred to
13 the Authority from the Public Transportation Fund under Section
14 4.09(a) after February 1 (but not including Section
15 4.09(a) (3) (iv)) that the Board has estimated to be available to
16 that Service Board under Section 4.11(a). Such funding shall be
17 released to the Service Board only upon approval of a budget
18 and financial plan under this Section or adoption of a budget
19 and financial plan on behalf of the Service Board by the
20 Authority ~~which are allocated to the Service Board under~~
21 ~~Section 4.01.~~

22 (5) If the Board has not found that the budget and
23 financial plan of a Service Board meets the criteria specified
24 in clauses (i) through (vii) of subparagraph (2) of this
25 paragraph (b), the Board, by the affirmative vote of at least
26 12 of its then Directors, shall ~~shall, five working days after~~

1 ~~the start of the Service Board's fiscal year~~ adopt a budget and
2 financial plan meeting such criteria for that Service Board.

3 (c)(1) If the Board shall at any time have received a
4 revised estimate, or revises any estimate the Board has made,
5 pursuant to this Section of the receipts to be collected by the
6 Authority which, in the judgment of the Board, requires a
7 change in the estimates on which the budget of any Service
8 Board is based, the Board shall advise the affected Service
9 Board of such revised estimates, and such Service Board shall
10 within 30 days after receipt of such advice submit a revised
11 budget incorporating such revised estimates. If the revised
12 estimates require, in the judgment of the Board, that the
13 system generated revenues recovery ratio of one or more Service
14 Boards be revised in order to allow the Authority to meet its
15 required ratio, the Board shall advise any such Service Board
16 of its revised ratio and such Service Board shall within 30
17 days after receipt of such advice submit a revised budget
18 incorporating such revised estimates or ratio.

19 (2) Each Service Board shall, within such period after the
20 end of each fiscal quarter as shall be specified by the Board,
21 report to the Authority its financial condition and results of
22 operations and the financial condition and results of
23 operations of the public transportation services subject to its
24 jurisdiction, as at the end of and for such quarter. If in the
25 judgment of the Board such condition and results are not
26 substantially in accordance with such Service Board's budget

1 for such period, the Board shall so advise such Service Board
2 and such Service Board shall within the period specified by the
3 Board submit a revised budget incorporating such results.

4 (3) If the Board shall determine that a revised budget
5 submitted by a Service Board pursuant to subparagraph (1) or
6 (2) of this paragraph (c) does not meet the criteria specified
7 in clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of
8 paragraph (b) of this Section, the Board shall withhold from
9 ~~not release any monies to~~ that Service Board 25% of ~~except~~ the
10 cash proceeds of taxes imposed by the Authority under Section
11 4.03 or 4.03.1 and received by the Authority after February 1
12 and 25% of the amounts transferred to the Authority from the
13 Public Transportation Fund under Section 4.09(a) after
14 February 1 (but not including Section 4.09(a) (3) (iv)) that the
15 Board has estimated to be available ~~which are allocated~~ to that
16 ~~the~~ Service Board under Section 4.11(a) ~~4.01~~. If the Service
17 Board submits a revised financial plan and budget which plan
18 and budget shows that the criteria will be met within a four
19 quarter period, the Board shall ~~continue to~~ release any such
20 withheld funds to the Service Board. The Board by the
21 affirmative vote of at least 12 ~~a 9 vote~~ of its then Directors
22 may require a Service Board to submit a revised financial plan
23 and budget which shows that the criteria will be met in a time
24 period less than four quarters.

25 (d) All budgets and financial plans, financial statements,
26 audits and other information presented to the Authority

1 pursuant to this Section or which may be required by the Board
2 to permit it to monitor compliance with the provisions of this
3 Section shall be prepared and presented in such manner and
4 frequency and in such detail as shall have been prescribed by
5 the Board, shall be prepared on both an accrual and cash flow
6 basis as specified by the Board, shall present such information
7 as the Authority shall prescribe that fairly presents the
8 condition of any pension plan or trust for health care benefits
9 with respect to retirees established by the Service Board and
10 describes the plans of the Service Board to meet the
11 requirements of Sections 4.02a and 4.02b, and shall identify
12 and describe the assumptions and projections employed in the
13 preparation thereof to the extent required by the Board. If the
14 Executive Director certifies that a Service Board has not
15 presented its budget and two-year financial plan in conformity
16 with the rules adopted by the Authority under the provisions of
17 Section 4.01(f) and this subsection (d), and such certification
18 is accepted by the affirmative vote of at least 12 of the then
19 Directors of the Authority, the Authority shall not distribute
20 to that Service Board any funds for operating purposes in
21 excess of the amounts distributed for such purposes to the
22 Service Board in the previous fiscal year. Except when the
23 Board adopts a budget and a financial plan for a Service Board
24 under paragraph (b) (5), a Service Board shall provide for such
25 levels of transportation services and fares or charges therefor
26 as it deems appropriate and necessary in the preparation of a

1 budget and financial plan meeting the criteria set forth in
2 clauses (i) ~~(ii)~~ through (vii) of subparagraph (2) of paragraph
3 (b) of this Section. The Authority Board shall have access to
4 and the right to examine and copy all books, documents, papers,
5 records, or other source data of a Service Board relevant to
6 any information submitted pursuant to this Section.

7 (e) Whenever this Section requires the Board to make
8 determinations with respect to estimates, budgets or financial
9 plans, or rules or regulations with respect thereto such
10 determinations shall be made upon the affirmative vote of at
11 least 12 ~~9~~ of the then Directors and shall be incorporated in a
12 written report of the Board and such report shall be submitted
13 within 10 days after such determinations are made to the
14 Governor, the Mayor of Chicago (if such determinations relate
15 to the Chicago Transit Authority), and the Auditor General of
16 Illinois.

17 (Source: P.A. 94-370, eff. 7-29-05.)

18 (70 ILCS 3615/4.13) (from Ch. 111 2/3, par. 704.13)

19 Sec. 4.13. Annual Capital Improvement Plan.

20 (a) With respect to each calendar year, the Authority shall
21 prepare as part of its Five Year Program an Annual Capital
22 Improvement Plan (the "Plan") which shall describe its intended
23 development and implementation of the Strategic Capital
24 Improvement Program. The Plan shall include the following
25 information:

1 (ii) a list of projects for which approval is sought
2 from the Governor, with a description of each project
3 stating at a minimum the project cost, its category, its
4 location and the entity responsible for its
5 implementation;

6 (ii) a certification by the Authority that the
7 Authority and the Service Boards have applied for all
8 grants, loans and other moneys made available by the
9 federal government or the State of Illinois during the
10 preceding federal and State fiscal years for financing its
11 capital development activities;

12 (iii) a certification that, as of September 30 of the
13 preceding calendar year or any later date, the balance of
14 all federal capital grant funds and all other funds to be
15 used as matching funds therefor which were committed to or
16 possessed by the Authority or a Service Board but which had
17 not been obligated was less than \$350,000,000, or a greater
18 amount as authorized in writing by the Governor (for
19 purposes of this subsection (a), "obligated" means
20 committed to be paid by the Authority or a Service Board
21 under a contract with a nongovernmental entity in
22 connection with the performance of a project or committed
23 under a force account plan approved by the federal
24 government);

25 (iv) a certification that the Authority has adopted a
26 balanced budget with respect to such calendar year under

1 Section 4.01 of this Act;

2 (v) a schedule of all bonds or notes previously issued
3 for Strategic Capital Improvement Projects and all debt
4 service payments to be made with respect to all such bonds
5 and the estimated additional debt service payments through
6 June 30 of the following calendar year expected to result
7 from bonds to be sold prior thereto;

8 (vi) a long-range summary of the Strategic Capital
9 Improvement Program describing the projects to be funded
10 through the Program with respect to project cost, category,
11 location, and implementing entity, and presenting a
12 financial plan including an estimated time schedule for
13 obligating funds for the performance of approved projects,
14 issuing bonds, expending bond proceeds and paying debt
15 service throughout the duration of the Program; and

16 (vii) the source of funding for each project in the
17 Plan. For any project for which full funding has not yet
18 been secured and which is not subject to a federal full
19 funding contract, the Authority must identify alternative,
20 dedicated funding sources available to complete the
21 project. The Governor may waive this requirement on a
22 project by project basis.

23 (b) The Authority shall submit the Plan with respect to any
24 calendar year to the Governor on or before January 15 of that
25 year, or as soon as possible thereafter; provided, however,
26 that the Plan shall be adopted on the affirmative votes of 12 9

1 of the then Directors. The Plan may be revised or amended at
2 any time, but any revision in the projects approved shall
3 require the Governor's approval.

4 (c) The Authority shall seek approval from the Governor
5 only through the Plan or an amendment thereto. The Authority
6 shall not request approval of the Plan from the Governor in any
7 calendar year in which it is unable to make the certifications
8 required under items (ii), (iii) and (iv) of subsection (a). In
9 no event shall the Authority seek approval of the Plan from the
10 Governor for projects in an aggregate amount exceeding the
11 proceeds of bonds or notes for Strategic Capital Improvement
12 Projects issued under Section 4.04 of this Act.

13 (d) The Governor may approve the Plan for which approval is
14 requested. The Governor's approval is limited to the amount of
15 the project cost stated in the Plan. The Governor shall not
16 approve the Plan in a calendar year if the Authority is unable
17 to make the certifications required under items (ii), (iii) and
18 (iv) of subsection (a). In no event shall the Governor approve
19 the Plan for projects in an aggregate amount exceeding the
20 proceeds of bonds or notes for Strategic Capital Improvement
21 Projects issued under Section 4.04 of this Act.

22 (e) With respect to capital improvements, only those
23 capital improvements which are in a Plan approved by the
24 Governor shall be financed with the proceeds of bonds or notes
25 issued for Strategic Capital Improvement Projects.

26 (f) Before the Authority or a Service Board obligates any

1 funds for a project for which the Authority or Service Board
2 intends to use the proceeds of bonds or notes for Strategic
3 Capital Improvement Projects, but which project is not included
4 in an approved Plan, the Authority must notify the Governor of
5 the intended obligation. No project costs incurred prior to
6 approval of the Plan including that project may be paid from
7 the proceeds of bonds or notes for Strategic Capital
8 Improvement Projects issued under Section 4.04 of this Act.

9 (Source: P.A. 94-839, eff. 6-6-06.)

10 (70 ILCS 3615/4.14) (from Ch. 111 2/3, par. 704.14)

11 Sec. 4.14. Rate Protection Contract. "Rate Protection
12 Contract" means interest rate price exchange agreements;
13 currency exchange agreements; forward payment conversion
14 agreements; contracts providing for payment or receipt of funds
15 based on levels of, or changes in, interest rates, currency
16 exchange rates, stock or other indices; contracts to exchange
17 cash flows or a series of payments; contracts, including
18 without limitation, interest rate caps; interest rate floor;
19 interest rate locks; interest rate collars; rate of return
20 guarantees or assurances, to manage payment, currency, rate,
21 spread or similar exposure; the obligation, right, or option to
22 issue, put, lend, sell, grant a security interest in, buy,
23 borrow or otherwise acquire, a bond, note or other security or
24 interest therein as an investment, as collateral, as a hedge,
25 or otherwise as a source or assurance of payment to or by the

1 Authority or as a reduction of the Authority's or an obligor's
2 risk exposure; repurchase agreements; securities lending
3 agreements; and other agreements or arrangements similar to the
4 foregoing.

5 Notwithstanding any provision in Section 2.20 (a) (ii) of
6 this Act to the contrary, in connection with or incidental to
7 the issuance by the Authority of its bonds or notes under the
8 provisions of Section 4.04 or the exercise of its powers under
9 subsection (b) of Section 2.20, the Authority, for its own
10 benefit or for the benefit of the holders of its obligations or
11 their trustee, may enter into rate protection contracts. The
12 Authority may enter into rate protection contracts only
13 pursuant to a determination by a vote of 12 ~~9~~ of the then
14 Directors that the terms of the contracts and any related
15 agreements reduce the risk of loss to the Authority, or
16 protect, preserve or enhance the value of its assets, or
17 provide compensation to the Authority for losses resulting from
18 changes in interest rates. The Authority's obligations under
19 any rate protection contract or credit enhancement or liquidity
20 agreement shall not be considered bonds or notes for purposes
21 of this Act. For purposes of this Section a rate protection
22 contract is a contract determined by the Authority as necessary
23 or appropriate to permit it to manage payment, currency or
24 interest rate risks or levels.

25 (Source: P.A. 87-764.)

1 (70 ILCS 3615/5.01) (from Ch. 111 2/3, par. 705.01)

2 Sec. 5.01. Hearings and Citizen Participation.

3 (a) The Authority shall provide for and encourage
4 participation by the public in the development and review of
5 public transportation policy, and in the process by which major
6 decisions significantly affecting the provision of public
7 transportation are made. The Authority shall coordinate such
8 public participation processes with the Chicago Metropolitan
9 Agency for Planning to the extent practicable.

10 (b) The Authority shall hold such public hearings as may be
11 required by this Act or as the Authority may deem appropriate
12 to the performance of any of its functions. The Authority shall
13 coordinate such public hearings with the Chicago Metropolitan
14 Agency for Planning to the extent practicable.

15 (c) Unless such items are specifically provided for either
16 in the Five-Year Capital Program or in the annual budget
17 program which has been the subject of public hearings as
18 provided in Sections 2.01 or 4.01 of this Act, the Board shall
19 hold public hearings at which citizens may be heard prior to:

20 (i) the construction or acquisition of any public
21 transportation facility, the aggregate cost of which exceeds \$5
22 million; and

23 (ii) the extension of, or major addition to services
24 provided by the Authority or by any transportation agency
25 pursuant to a purchase of service agreement with the Authority.

26 (d) Unless such items are specifically provided for in the

1 annual budget and program which has been the subject of public
2 hearing, as provided in Section 4.01 of this Act, the Board
3 shall hold public hearings at which citizens may be heard prior
4 to the providing for or allowing, by means of any purchase of
5 service agreement or any grant pursuant to Section 2.02 of this
6 Act, any general increase or series of increases in fares or
7 charges for public transportation, whether by the Authority or
8 by any transportation agency, which increase or series of
9 increases within any twelve months affects more than 25% of the
10 consumers of service of the Authority or of the transportation
11 agency; or so providing for or allowing any discontinuance of
12 any public transportation route, or major portion thereof,
13 which has been in service for more than a year.

14 (e) At least twenty days prior notice of any public
15 hearing, as required in this Section, shall be given by public
16 advertisement in a newspaper of general circulation in the
17 metropolitan region.

18 (f) The Authority may designate one or more Directors or
19 may appoint one or more hearing officers to preside over any
20 hearing pursuant to this Act. The Authority shall have the
21 power in connection with any such hearing to issue subpoenas to
22 require the attendance of witnesses and the production of
23 documents, and the Authority may apply to any circuit court in
24 the State to require compliance with such subpoenas.

25 (g) The Authority may require any Service Board to hold one
26 or more public hearings with respect to any item described in

1 paragraphs (c) and (d) of this Section 5.01, notwithstanding
2 whether such item has been the subject of a public hearing
3 under this Section 5.01 or Section 2.01 or 4.01 of this Act.

4 (Source: P.A. 78-3rd S.S.-5.)

5 (70 ILCS 3615/2.12a rep.)

6 (70 ILCS 3615/3.09 rep.)

7 (70 ILCS 3615/3.10 rep.)

8 Section 25. The Regional Transportation Authority Act is
9 amended by repealing Sections 2.12a, 3.09, and 3.10.

10 Section 30. The Riverboat Gambling Act is amended by adding
11 Section 24 as follows:

12 (230 ILCS 10/24 new)

13 Sec. 24. Chicago Casino Development Authority.
14 Notwithstanding any other provision of law, if a Chicago Casino
15 Development Authority is created by the 95th General Assembly,
16 then the first \$100,000,000 of net profits from the Authority
17 shall be paid to the Chicago Transit Authority and disbursed
18 pursuant to Section 12d of the Metropolitan Transit Authority
19 Act.

20 Section 97. Severability. The provisions of this Act are
21 severable under Section 1.31 of the Statute on Statutes.

22 Section 99. Effective date. This Act takes effect upon

1 becoming law.

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9	30 ILCS 740/2-2.04	from Ch. 111 2/3, par. 662.04
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